Mr WALCHAND HIRACHAND

Born 23rd November 1882 Kartik Shudh 13 Samvat 1939 Shaké 1804

WALCHAND
DIAMOND JUBILEE COMMEMORATION VOLUME

क्रियासिद्धिः सत्त्वे भवति महतां नोपकरणे

1942 A. D. शके १८६४

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B. D. SARDESAI,

Jt. Hon Secretary,

WALCHAND DIAMOND JUBILEE CELEBRATION COMMITTEE

Construction House, Ballard Estate,

FORT, BOMBAY

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PREFACE

The Walchand Hirachand Diamond Jubilee Commemoration Volume has been prepared for presentation to Mr. Walchand on the occasion of his completing his 60th year on the 23rd November, 1942. A special Committee for the preparation of this volume was appointed by the Jubilee Celebration Committee who had set up before them an elaborate programme to suitably commemorate this occasion In deference to the wishes of Mr. Walchand, however, the Committee agreed to forego various programmes arranged by them to celebrate and commemorate the Jubilee as it was felt that it would neither be proper nor possible to carry them out when the country was passing through critical times particularly after the arrests of the National Leaders of the country.

The Committee, however, decided to carry out the programme for the presentation of this volume to Mr. Walchand especially as this volume represents not only its appreciation of the lasting services that Mr. Walchand has rendered to the fight for economic freedom of the country but also an interesting record of certain aspects of the development of the history of industries during the last few years.

PREFACE

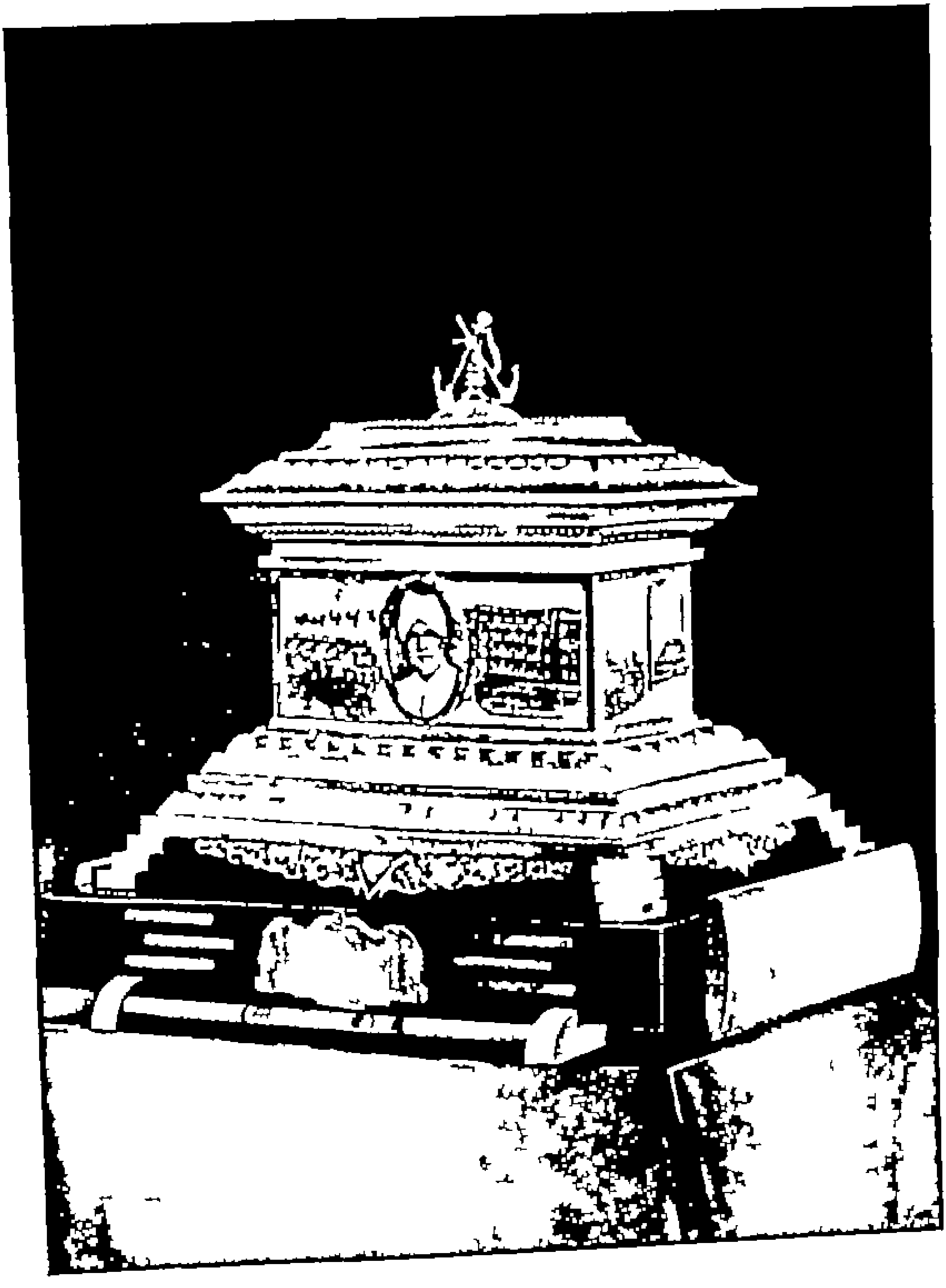
The Committee is thankful to Mr Walchand for having agreed to accept this volume as such.

The Committee desires to take this opportunity of expressing their thanks to Prof C. A Buch and Mr S S. Pendse for the compilation and editing of this volume.

CHAIRMAN

Volume Sub-Committee

Construction House
Ballard Estate
Fort Bombay,
10th Nov 1942



CASKET PRESENTED TO MR WALCHAND

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PUBLISHER'S NOTE

Care has been taken to obviate all references to locations et cetera of buildings and other important structures in the letter press or amongst the pictures in view of the present situation. For the same reason a large number of photographs of important constructions are withheld from publication.

WALCHAND DIAMOND JUBILEE CELEBRATION COMMITTEE.

BOMBAY

Telephone 26036 (5 Lines)

WALCHAND DIAMOND JUBILEE CELEBRATION COMMITTEE

CONSTRUCTION HOUSE,
BALLARD ESTATE,
BOMBAY.

24th September 1942

Walchand Hirachand Esq.,
Construction House,
Ballard Estate,
Bombay.

Dear Sir,

A Committee was appointed sometime ago to take adequate steps to celebrate your Diamond Jubilee on your completing the 60th year of your life on 23rd November, 1942.

The Committee has decided to prepare a Volume recording in brief the history of the development of the various activities and organisations controlled by you and through which, the Committee feels, you have succeeded in making a memorable contribution towards the fight for the economic freedom of the country.

Such a Volume, the Committee feels, besides being in the nature of their tribute to your personality, will, in the opinion of the Committee, serve as a contemporary record of some of the important policies and events that have held up or retarded the building up of a free economic India, a cause which is so near to your heart.

I am now directed by the Committee to request you to kindly give your assent towards accepting this Volume which the Committee desires to call "The Walchand Hirachand Diamond Jubilee Commemoration Volume".

I beg to remain,

Yours sincerely,

Home 41677
Office 26038
WALCHAND HIRACHAND

2A, NARAYAN DABHOLKAR ROAD
MALBAR HILL
***
CONSTRUCTION HOUSE
BALLARD ESTATE

Bombay 2nd October 1942

My dear Banerjee,

Please convey my sincere thanks to the Committee that has so kindly undertaken to put on record whatever services I have been able to render to the cause, which you rightly say, is nearest to my heart, namely the building up of a great industrial and economic structure in the country, so that India might one day achieve economic freedom

I am deeply conscious of the fact that I could not have succeeded in making whatever contribution that I have made towards this end without the active support and loyalty to ideals, of my colleagues and co-workers, in the various fields of my activities

I gladly accept this volume as an appreciation not only of my own individual attempts but also of those of my colleagues and co-workers

Yours sincerely,

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SHRI
WALCHAND HIRACHAND

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A SHORT
BIOGRAPHICAL SKETCH

•

I

"Give me where to stand—and I will move the earth".

—Archemedes.

Seven Greek cities claim to have given Homer to the world. The desire to shine even in reflected glory, and to share, even incidentally and indirectly, the greatness of a successful Captain of a victorious army, or, as in modern times, the successes of a daring Captain of Nation Building Industry, is as much natural as it is universal, with cities as much as with provinces. It is, therefore, not surprising that both Maharashtra and Gujarat are eager to claim Mr. Walchand as their own, and perhaps even the doughty Mewar or Malwa would be historically justified in joining issues on this question. Mr. Walchand, by his activities, however, has covered the whole country as one domain, and thus can rightfully be claimed as one of the great and successful builders of modern Industrial India, an India whole and indivisible.

The family of Mr. Walchand belongs to the Digambar section of the Jain community hailing from North Gujarat, in and about the Indian state of Idar from where about a thousand families seem to have migrated towards the

Deccan, about eighty to hundred years ago, to find more peaceful and less uncongenial conditions, better suited to an even tenor of undisturbed existence, so necessary for a peaceful pursuit of trade and commerce, conditions which at about that time had become difficult to obtain in that part of Gujarat. Many of the families migrated to the States of Phaltan and Akalkot, some established themselves in the Nizam's Dominions at Aland, Osmanabad, etc., and some settled down in the districts of Baramati, Poona, Sholapur and Pandharpur That is how the grandfather of Mr Walchand, Sheth Nemchand Doshi, found himself in the British district of Sholapur, where he settled down with his family to a quiet and undisturbed life of a peaceful businessman, along with several other families of the same community The only abiding influence of their erstwhile home in Gujarat, still evident in the community, is only in the style of dress and language of the women folk of the community, while the male members of the community dress like Maharashtrians and speak Marathi, and very grammatical Marathi at that. The account books of the various firms belonging to them, are, besides, kept in Modi, the popular script of Maharashtra. To anticipate events, an instance may be cited here even though it occurred many years later When a workable definition of a Maharashtrian was being discussed, it was suggested that he who kept his accounts in Modi should be regarded as a pucca Maharashtrian. Amongst those present, it was found, that the majority kept their accounts in Balabodha character akin to Sanskrit or Nagari characters, whereas

Mr. Walchand was found to be the only member present who kept not only his accounts in Modi but also used Modi for his private correspondence.

To resume our story, however: after the family of Mr. Walchand had settled down in Sholapur district, his grandfather re-started the ancestral business of the family and gradually prospered according to the then accepted standards of prosperity. With the growth of the family business also grew the prestige and reputation of the family firm. The main business was that of yarn and piecegoods, though banking or Shroff's business also formed part of the family activities. Investments in grains and other general commodities were, besides, a common feature of the daily trade. Sheth Nemchand Doshi, and his sons, Sheth Sakharam Doshi and Sheth Hirachand Doshi, gradually established a name for their firm which gave them a place of honour amongst their competitors and confreres and they were soon being looked upon as one of the leading houses in their own particular group.

It was in this family that Mr. Walchand was born on 23rd November, 1882, the third son. His mother died when he was only a few days old. He was nursed on goat's milk, sometimes by what the modern educationists would call the 'direct method', and the she-goat was often camouflaged in a woman's clothes to add a realistic touch.

Mr Walchand was educated for a few months at Aurangabad, and then at Sholapur, Poona and Bombay He studied the usual subjects in Marathi up to what was then known as the fifth standard and obtained a good grasp of Marathi literature and grammar as also of other subjects like elementary history, mathematics, etc., in that language, before he was transferred to Elphinstone Middle School, Bombay He considers the grounding that he received in these subjects through the medium of what is practically his mother tongue, namely Marathi, as of considerable beneficial value to him. He maintained a high rank in the schools that he attended though he was not of a very studious temperament, mainly because of the early grounding that he had received in the lower standards. Private coaching helped him along with the tuition received in the school and he passed his examinations with credit, a fact which need not be so astonishing to those who have noted the intellectual brilliance of Mr Walchand, even though Mr Walchand has often averred that the high ranks obtained by him in the school examination often astonished him more than anyone else.

The school days of Mr Walchand were not all placid and humdrum. It would be belying the story of his future development if they were. In his school days at Sholapur for instance, Mr Walchand often played the truant with a couple of boon companions and patronised a local garden when he ought to have been in his class-room. While it indicated, perhaps, a greater love of open air than of

Fac Simile of a Letter dated 6th January, 1907
Written in Modi script by Mr. Walchand Hirachand

closed-in-brick walls and dull routine work, it natuıally brought hım into trouble with hıs uncle who, one day, meeting the Head Master of his school and enquiring about the progress of the young hopeful, was surprised to hear that the saıd nephew had not even presented himself in the school the previous day, and that such absences were not unusual. In the Elphinstone School Mr Walchand was often appointed to be what is known as the 'Monitor' A monitor, by all rights and special privileges, is practically a minor dıgnitary of the class. As such, then, he was in charge of the muster roll of the class, and had the keeping of the three-foot-bit of cane, the lıving symbol of the tutelary authority. It is, therefore, sad to relate that on one occasion when certain malcontents of the class approached Monitor Walchand with a rebellious proposal to go on strike the next day as a protest agaınst a real or imaginary grievance, Mr. Walchand, instead of informing the authorities or helping them in enforcing the schoolroom equivalent of Section 144 Cr. P. C., actually joined the recalcitrant mob, threw away the sacred emblem of authority, to wit, the cane, into the adjacent compound, which belonged to no less august an institution than the Honourable the Small Causes' Court, and actually became the ring-leader of the strikers, and marched them off to a far away place in the Colaba Maidan, where the class spent a jolly day of their French Leave, in the mıstaken ecstasy of a doubtful job very well done But the incident had its consequences and the monitor who ought to have sided with the established authority but actually led the

delinquents to such a gross breach of discipline was publicly caned the next day These bare incidents are sufficiently indicative of the adventurous disposition and rebellious spirit of Mr Walchand of those days, and may in proper perspective explain many things to the harassed Commerce Members and various other Members of the Government of India, whose only regret possibly is that they are not endowed with the tutelary powers enjoyed by School Masters, to enforce their particular view points, with the convincing assistance of a three-foot cane when all other arguments fail.

After passing his matriculation examination, Mr Walchand joined the St. Xavier's College, primarily because it was nearer to his father's *pedhi* and place of residence in Bombay The outbreak of plague, however, in Bombay, led to his changing over to Poona, where he joined the Deccan College as a day student, but reverted to St. Xavier's at a later date. A double tragedy in the family, namely the death by plague of his two elder brothers, was ultimately responsible for his decision to leave his studies without taking the B.A. degree, even though he had already put in three terms in the B.A. class. His father, borne down though he was with grief at the death of his two sons, insisted upon Mr Walchand to finish his career and take at least the B.A. degree, but Mr Walchand had made up his mind and was determined to take his place by his father's side in his hour of trial and tragic bereavement. He had been a successful student

and enjoyed his studies of the subjects he had chosen for his examinations, especially the voluntary subjects, which were History and Economics, and was not only particularly fond of the latter but had already made considerable progress in it under Prof. Walworth. He, however, felt that there was a greater need of a grown up son by his father's side and he carried out his resolve to leave the college and join his father's firm.

It may be mentioned in passing that among the notable professors in the St. Xavier's and the Deccan College during the time that Mr. Walchand attended these colleges were besides Prof. Walworth, the eminent Sanskrit Scholar Rajaram Shastri Bhagwat, Prof. Boswin, Prof. Hegglin, Prof. Bain, Prof. Selby and Prof. Nelson Fraser. Some of these had the reputation of being scholars and some, very good teachers. While Mr. Walchand, as a student bent upon successful results in examinations, was not unaware of the great scholarly attainments of men like Rajaram Shastri, or Prof. Selby, he was much more appreciative of the methods of teaching employed by men like Professors Boswin and Hegglin, who laid greater stress on preparing their classes for examination work rather than for a more general and wider but less detailed acquaintance with the subjects handled by them. Amongst the contemporary students in the colleges may be mentioned Sir H. P. Mody, Justice Wassoodew, and Sir Byramjee Jeejeebhai.

The ardent desire of young Mr. Walchand to fill up

as best as he could the two vacant places created so tragically in the family and to shoulder a part of the burden of the family business could not naturally have taken into account the fact that his metier did not lie in the conventional routine business carried on so far by the family But this discovery had yet to come. Once Seth Hirachand Doshi realised that his young son was determined to join the family business, he immediately proceeded in his own methodical way to train him up, as thoroughly as possible, for the career that was now before him. The family business was a complex whole that required all round vigilence and a sound practical training in the methods peculiar to the business. The firm was not only dealing in wholesale business of cotton yarn and piece-goods, but as mentioned above, banking had become an integral part of the firm s activities. There was a large number of agents, clients and correspondents, collectively described by the word Adatyas , scattered all over the adjacent country Sheth Hirachand, therefore, thought it best that his son should first make contacts with some of these important adatyas and personally acquaint himself with the kind and method of business they were doing vis-a vis his own firm

These adatyas, or what may be called in modern terms the Commission Agents were themselves substantial firms who used to purchase considerable stocks of yarn as well as of cloth at wholesale prices from Sholapur, to retail them later in their own centres. They represented a class of

businessmen, which unfortunately is now being replaced by a totally different kind, though not necessarily a better kind of tradesmen. They lived plain and worked hard and had their own place of considerable usefulness in the social, as much as in the commercial life of those days. They had certain unique qualities, which are getting scarcer today and it is sad to reflect that with their progressive disappearance from the commercial life of the country are also disappearing many a sound and businesslike quality from that particular section of the business world of today. It is true that these men were men of simple faith and a still simpler life. They were of extremely frugal habits and their wants were strictly limited. In fact they made up by thrift what their present day successors try to make up by bigger turnovers and larger profits They were and are perhaps unfit to survive under modern conditions, but they were and still are the backbone of the vast mass of people who live on land or on smaller avocations. Small as they were, in comparison with the present day corporations carrying on identical activities, they were at the same time men of great business acumen and they feared dishonour much more vividly even than they feared death ; for they had an ideal of personal credit that is not so universal in the corporate organisations of to-day Unsophisticated even to the point of utter simple-mindedness, they were strangers to the dangerous lure and often almost the death-dealing struggle for a bare existence that so inevitably has accompanied the economic order of the latter day India under foreign exploitation.

They had few distractions and they lived as social units as intensely as they did as economic units. They were, in that way, much closer to the heart throb of the socio-economic structure of that day than the more modern businessman is or ever can be.

It was with one such businessman, an *Adatya*, Sheth Ladaji Mundraji, as his firm was styled, that Mr Walchand was deputed to proceed to Talikota, the place of business of the host. Sheth Ladaji was an old established client of the firm of Hirachand Nemchand, well tried and trusted for a number of years. Entrusted to the tender care of Ladaji, Mr Walchand was asked to study local methods and conditions at Talikota. *As the story of this pilgrimage* is interesting in more ways than one it is given here in brief, as illustrative of general conditions prevalent in those days.

The journey to Talikota, had to be completed partly by rail and partly by bullock carts. Ladaji had, of course, assured Sheth Hirachand Doshi that he need not have any anxiety about his son, who, he said, would be made as comfortable as possible. It is due to Ladaji to record here, that he kept more than his word—only Ladaji s notions of a *comfortable journey* were entirely different from the notions that Mr Walchand had picked up on this subject, having so far lived in cities like Aurangabad, Sholapur, Poona and Bombay

They reached Telgi by rail, travelling, of course,

SHETH HIRACHAND NEMCHAND

third class. The businessman of the day, especially the Gujarati and the Marwari, disdained to travel in any but the third class, possibly because there was no fourth class, or because he was not permitted to travel in the goods wagons. When it is remembered that third class travel by railway in those days was even less comfortable than it is to-day, the aversion of these hard-headed businessmen towards travel by any class higher than the lowest needs some explanation. Second class travel was considered by them as a waste of money and an extravagant piece of vulgar ostentation. Travelling first class was avoided even by the richest among them, probably because the *raison d'etre* of the first class was simply not understood by them, except perhaps as a means specially provided for the carriage of rude and insolent Europeans, whether public officials or private adventurers. There were, besides, many a story current then as to how even the highest in the land had often been humiliated by the arrogant behaviour of Europeans, when they had shown the imprudence of travelling by first class. In the heat and dust of the third class journey Mr. Walchand had perhaps hardly any time to enter into all these weighty reasons that had decided Ladaji to choose that class. Possibly he had actually enjoyed that drab and dusty journey, as even now Mr. Walchand is fond of diverting experiences, especially those that are out of the normal course of routine life. They reached Telgi about midnight and proceeded to the *mandai* or market place to book by the bullock carts by which

they had to complete their journey to Talikota.

There was no intention at all, however, of engaging special bullock carts for the journey That would be unforgivable waste of money After completing the first part of the journey from the Railway Station by a passenger-carrying bullock cart, they were actually to form deck cargo on the carts that normally were loaded with a viscous mass of high stinking Hindupur jaggery and started in trains somewhere about this time for Talikota. They allowed passengers to squat on the bundles of this semi liquid mass of jaggery for a suitable consideration. Mr. Walchand and Ladaji, however, found that the usual train of carts for Talikota had left sometime before they could make Bagewadi. Ladaji assured Mr. Walchand that the only normal course now was for them to start walking briskly on the road and if they walked fast enough they were bound to overtake the slow moving carts in a very short time. Thus it was that Mr Walchand and Ladaji lifted their modest luggage on their respective heads and started the march-forward towards the invisible tail ends of the jaggery carts. The villagers had assured them that the carts had left only a few moments ago and being quite innocent of the knowledge that a few moments to a villager is not the same period of time as it is to a university under graduate accustomed to possess a precision watch, Mr Walchand marched on in the pitch dark night, in hopes of overtaking the promised transport within a reasonable distance. It was, however, a long way to go,

on an apology for a road. Only the stars lighted the travellers' weary way. The small bundle on the head was steadily getting heaviet with the passage of time. Their only support against weariness was the enthusiasm of youth with Mr. Walchand and the experienced determination of his elderly companion. They even ran part of the way and kept on enquiring about the carts from casual passers by, after every mile or so. They were invariably informed by every one of them that the carts were just ahead. It is not on record whether Mr. Walchand, the erstwhile student of History, had even once remembered that he was treading the path of the weary armies of the Vijayanagara Empire that had gone perhaps this very way a few centuries ago ! He was perhaps too tired for such trivial flights of scholarly fancies, and the load on the head had by now become all lead !

At long last they hit the Talikota carts quite a good few hours after sunrise and secured a seat on a cart apiece on the top of the viscous load of jaggery, now feeling like Pullman Cushions This was comfort indeed !

Mr. Walchand, anyhow, found the new situation comfortable enough to immediately fall asleep in spite of the shifting seat, the jolting cart and the jogging road. It was, however, a perfectly normal way of travelling for Ladaji, who informed his protege, that with a view to make him comfortable, he had chosen for himself the less comfortable of the two carts He was perfectly aware of

the fact that young Mr Walchand was but a college bred youth, still imbued with queer notions of comfort in travel and that was why he had decided to give his young guest an entire cart to himself so that he can stretch out his full weary length all the way to Talikota, even though it was an unjustifiable piece of extravagance.

The caravan struck a village by noontide and settled down to rest. Ladaji went down into the village to make preparations for a meal. He bought some wheat and engaged an old woman to grind it into flour He also bought some ghee and tamarind and chilly powder from the village shops, but bought a little jaggery from the cartman as a mark of his further patronage and the cartman cheerfully sold the jaggery that perhaps did not belong to him. Mr Walchand was following these preparations in mute wonderment and perhaps was looking forward to a delectable repast which ultimately was nothing more than '*bati*' for which the whole of Marwar and various other parts of India are so justly famous. Ladaji was both the host and the Chef Turmeric and chillies were mixed into a paste to form *chutney* Fresh water was drawn from a well near by and the meal was ready A plantain leaf served as a plate. But just as a few hours' forced march had turned jaggery bundles into Pullman Cushions, there is no doubt that this simple meal must have turned into a delicious repast in the imagination of a decidedly hungry young man.

After the men and bullocks had been sufficiently rested

the caravan once again started on its way in the latish afternoon. But the heat of the day and the movements of the carts had considerably affected the load of jaggery which now began to assert itself. It was Hindupur jaggery. It was not only black but it smelt into high heavens and it could ooze like living slime. According to Ladaji these pliant qualities of the underseat made a splendid bed for the passenger because the yielding mass below shaped itself to the undulating contours of the human figure. The whole night passed in this manner and they reached Talikota next morning.

Talikota was then a thriving centre for the distribution of yarn in which Mr. Walchand's firm was interested. Mr Walchand visited each one of his clients and considerable as the clientele then was, it is probable that it increased in proportions by Mr. Walchand's visit.

Mr. Walchand was interested in the methods and manners of these Marwari and Gurjar merchants. Their thrift and frugality was an object lesson in the science of trade economies, if not of trade economics They got up long before sunrise, performed their ablutions and puja, swept their own business premises and were ready for their customers a good deal before the customers themselves had shaken off their slumbers There were no newspapers. Business correspondence was a simple matter of routine, requiring very little attention except when it pertained to Hundis, Advices, Invoices or Accounts No matter what

the size of the trade or the position of the trader, wholesale or retail, the technique was identical. Only the dimensions differed. There were, of course, no telephones nor were telegrams very much in evidence. And still the dealers and their customers, even though separated by considerable distances, were in almost constant contact. They drove hard bargains with their equals, but were, as a rule, accommodating to small customers. With their competitors they indulged in a battle of wits and were more than a match in shrewdness and foresight, but seldom practised deceit or ruthlessness. The shop was the centre, not only of business activities but also of social activities and even of recreation and entertainment, which latter were extremely rare and seldom missed. They had their fill of social diversions during religious festivities or when there were marriages or other such ceremonies in the family or the community Even after the day s work was done, the hard working merchant sat down to write up his daily accounts in the dim glow of an oil lamp This, the writing up of the daily accounts, was religiously carried out every evening by every one of them, and Mr Walchand had already known this to be an inflexible rule even with his own family firm. While studying in Bombay he had observed the Head of the Bombay Branch of the firm prepare complete copies not only of all correspondence but also of every account, and despatch them to Sholapur so that there were always two full and complete set of books and correspondence, as a matter of sound business routine, making for perfect supervision and close co-operation.

Mr. Walchand saw all this and much more during his short stay at Talikota. Hoping for a more congenial mode of travel on the return journey, he changed the route via Muddebihal and by a tonga. His good old golden hearted host actually roused up a local shopkeeper at dead of night so that he could, as a parting gift to the son of his valued friend, furnish him with freshly roasted grams to serve him as breakfast on the return journey.

Such and many other similar were the methods by which Mr. Walchand was made acquainted with the family business. Sheth Hirachand also allowed his young son to indulge in little ventures of his own, even though in some cases he himself would have acted otherwise and advised against them. The occasional burning of fingers that was inevitable was regarded by the veteran businessman as a sound method of teaching his son the art of avoiding larger pitfalls in future. He allowed his son a little latitude even in a little speculative trading, though never in actual speculation, and took occasion to impress upon his mind the danger of indulging in any transaction whatsoever that had even indirectly a speculative character. Mr. Walchand, it may be said, took this lesson to heart from the earliest days of his business career and has never indulged in speculation throughout his long career as a businessman

Fresh from college, young Mr. Walchand now moved in a world that was entirely different. The finesse of logic, the beauties of literature or the intricacies of quadratics

and binomials had not apparently even a remote applicability in the humdrum but hard work that kept this new world intensely alive from morn to eve. Even though commodities and currency exchanged hands at every step, the well known laws of economics seemed hardly to have any visible utility in the varied processes that kept people busy with their complex affairs of buying and selling commodities and services. Even a simple transaction like buying a cartload of *Juari*, on the contrary, called for attainments that had seldom been catered for in the college lectures or in text books. What was now wanted was a highly trained judgment and an all round knowledge of markets, a quick and accurate assessment of kinds and qualities of materials, and what was more important, an unfailing appraisement of the credit and capacity of customers and an intelligent anticipation of supply and demand. While at Mohol, where they had shifted owing to plague at Sholapur, every morning the cousins, including Mr Walchand, inspected carts laden with commodities that had reached the town the previous evening or the early morn, select their loads, effect purchases and send these away to be stored up till prices became attractive, or reselling became necessary Moneys had often to be advanced when the other party was unable to finance the deal himself There were short term loans returnable by evening and there were long term loans returnable after a few weeks or even months.

Mr Walchand, while enjoying all these as a novel

experience, and a great, even exciting change from the college work, could hardly be said to have fallen in line with his cousins and regard these multifarious activities as the final goal or career of his life. It was not, therefore, very long before he gradually began to be aware of something that made him look beyond these routine transactions, for activities that would give a greater inner satisfaction—a satisfaction that is denied to the task of a mere accumulation of profits or to transactions that yield but do not create. In his heart of hearts he was not satisfied with this conventional type of business life and a restlessness grew within him, at first perhaps unbeknown to his own self, but later on in an actively conscious form. He longed to do or achieve something that was more enterprising and productive of more concretely visible results, things that would grow before his very eyes, outcome of a more constructive effort and, therefore, more satisfying to his restless spirit and more conformable with the ideals of trade and commerce that he had learnt to value while studying economics and its industrial implications in the college

II

The minds of the educated men about this time were being deeply stirred by the utterances of the then leaders of political and economic thought in India who were attempting to awaken a new consciousness of a political and economic regeneration of the country Men like Gokhale, Tilak, Banerjee and Pherozshah Mehta were themselves growing into and were inspiring the country with, a new awakening which had already been augured by men like Naoroji, Ranade, and Dutt. The attention of the country was being increasingly focussed on the economic and industrial possibilities of a vast country like India abounding in raw materials and affording inexhaustible markets amongst its own teeming millions. The then young Japan s example in carving out for itself a coveted place of honour among the industrially progressive countries of the world was inspiring even the strongly Anglophil India of that day, to long for the development of Indian industries. The tremendous wave of Swadeshi Movement was in the offing and was in a couple of years to sweep from Bengal. On the whole the times were congenial for venturesome spirits and the youth of the country was beginning to be restless.

Even though not perhaps directly under the sway of the new consciousness, a young mind like that of Mr. Walchand was bound to be subconsciously affected by all that was being said and all that was being done around in the country. It was, therefore, natural that the ideal of mere increase in one's own personal wealth, though a natural and strong incentive, was slowly giving place to the desire for achievements much greater and more lasting, achievements that would also be conducive to the betterment of one's country. Mr. Walchand, therefore, even though as yet without a clear definite planned programme before him, looked round for something that was more unconventional and different, something that was more creative, something that was more satisfactory to his restless spirit, and gradually began to seek beyond the routine business to which his family activities had thus far restricted him.

At about this time the manager of a local textile mill introduced to young Mr. Walchand a local fireman, one Hazrat Khan,* who had taken a small contract for supplying fire-wood to the mill It was suggested that Mr Walchand should finance him and interest was offered at

* It may be incidentally mentioned here that the Fireman, Hazrat Khan, prospered as a contractor, made a cherished Pilgrimage to the Holy Land, was honoured by the Government with a title and not only became Khan Bahadur Haji Hazrat Khan, but had a son, who, being Knighted in 1940, is now Sir Abdul Latif, M L A of Sholapur

2½ per cent per month. There was very little risk. The amount involved was not very large. Both Mr Walchand's father and his uncle were, however, against this advance, for a 'contract' was not a sound business deal according to their standards of business and the whole capital howsoever small was likely to be involved. Mr Walchand, however, persisted, and as it had happened in many instances before, his uncle gave in. The money was advanced by Mr Walchand and Hazrat Khan made a great success of his small venture and returned the loan with full interest in a comparatively very short time. This made Mr Walchand think. This was a new line. It appeared to have immense possibilities. Mr Walchand was eager to explore this kind of business to its utmost possibilities.

Mr Walchand's interest in this small fire-wood contract was naturally indirect but it proved an exciting introduction to that world of business of which he was destined to be the acknowledged leader in a very short time. His determination to take to contracting seriously as a career almost annoyed and alarmed his father. Sheth Hirachand Doshi, when he perceived the serious intent of his son, took every means to dissuade him and expatiated upon the risk and the unwisdom, even the impropriety of such a career for a son of such a family of staid old established bankers, with a reputation for sound, solid, sober, unostentatious business, harking back to over half a century. In fact, contracting was against all unbroken

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traditions of their forebears There was ample scope for Mr. Walchand to expand the family business and settle down to be a respected businessman, adding to the wealth of the family and to the prestige of the firm. As they were, the Doshi Brothers were most highly respected and happily ensconced on their family *Gaddi,* and were never in the need of going out of their way to seek the respect that was their due. Even Mill Managers of Sholapur were accustomed to call on them in their *pedhi.* A contractor, on the other hand, they felt had to knock about anywhere and everywhere, apply to, and canvass for work from all and sundry, had nothing to sell except his efficiency and his readiness, and even then had to short sell a work that was to be completed at a much later date. It was a risky business It had no dignity about it. It involved competing and canvassing and seeking of favours sometimes even from petty ranks of officialdom. There was no continuity of employment and every time a new contract was secured, fresh labour had to be mobilised and fresh materials secured, leaving everything again at loose ends after the contract was completed Different contracts might be in different places, at considerable distances from one another and supervision always meant hard work in sun and rain, irregular hours for food and rest and at the end of all this, profits depended on the whims of those who were always the sole judge of the work being satisfactory or otherwise The contract agreements are extremely one sided and no contractor can succeed in law because of these one sided agreements even

though he may have all the rights with him.

Sheth Hirachand Doshi being a shrewd businessman and an experienced man of affairs had no illusions about the nature of the work that his young son was bent upon adopting as a career He, therefore, tried his utmost to dissuade him from doing so. But Mr Walchand took entirely a different view He felt convinced that there were larger profits in the new line than in that of a Banker or a Trader Possibly he was also thinking of opportunities for ever expanding contacts and for building up a wider goodwill and the constant change of work and venues which meant widening of experience and outlook. He, therefore, seized the very next opportunity that offered and took up his new career with zest and unbounded optimism.

This opportunity came when a young Brahmin, Mr *L. B Phatak*, who before he took to a contractor's business, was a clerk in the Railway Engineer's office in Sholapur, approached him with a proposition to finance a contract that he had undertaken, namely, the building of a seven miles line of railway extension between Yedsi and Tadval on the Barsi Light Railway Mr. Phatak wanted finance for this work and was introduced to Mr Walchand by a mutual acquaintance.

Mr Phatak was no more an engineer than was Mr Walchand, but he had thrown up this clerkship and had already made some profitable ventures into the contracting

line. He had the necessary insight into the working of a Railway Engineer's office. Mr. Walchand could claim a wide general education and had already an adequate knowledge of finance. He had, besides, a fresh outlook and a flair for efficiency. Between them, then, they went over the details of the projected work and came to the conclusion that even after making allowances for various unseen setbacks, there could still remain a considerable chance for a good profit from the contract proposed to be taken. They eventually went into partnership, for Mr. Phatak not only offered a reasonable return on the finances to be advanced by Mr. Walchand, but also a share in the profits. Of course, Mr. Walchand's father opposed this decision of his son, but ultimately Mr. Walchand succeeded in launching upon the career which was to bring him name and fame at no distant date.

Mr. Walchand threw himself wholeheartedly into the new work. He lacked the technical knowledge of experience required for the work, but he brought to it his imagination and his enterprising spirit, a quick eye, a sharp intellect, a sound judgment of men, and of course, his capacity for hard work. A very handsome margin of profit was left for the partners

This was too rich an experience not to be profited by and too great a temptation to be resisted. From now onwards Mr Walchand may be said to have been definitely committed to the career of a Constructional Contractor.

He did not lack funds, thanks to his family, and as one success led to another, he began to attract around him a band of good workers with necessary qualifications and experience, some of whom remained with him for a good many years. From a partnership between Mr Phatak and Mr Walchand formed somewhere in 1905, a Joint Stock Company was developed in 1915 Larger and more remunerative contracts followed their first work and the partnership soon became famous for sound reliable work carried out with efficiency and speed.

The *histories of the constructional and various other* concerns founded or developed by Mr Walchand are summarised in outlines elsewhere in this volume and need not be repeated here. References, however, to those are inevitable here as the life and career of Mr Walchand have naturally become inseparable from the story of the development of those activities in the field of construction, shipping, agriculture, etc. Though mainly restricting his activities to constructional engineering only, in the early years of his career, Mr Walchand, what with the force of circumstances, and what with his enterprising spirit, could not but take interest in other activities around him and thus the two important and noteworthy of his other activities are in connection with the key industries of ship ping and ship-building and with another quite different industry namely, agriculture, sugar-cane farming and sugar manufacturing, and quite recently with aircraft and automobiles.

A short excursion in mining, however, belongs to this early period of his business life but as this particular line was not developed further only a bare reference to that need be made here.

III

The romance of constructional engineering, started as it was, with the small contract on the Barsi Light Railway with Mr Phatak, then held the field without any distraction, and it grew from day to day Mr Walchand and his organisation soon became noted for sound reliable work, carried out with great efficiency and speed. It meant varied experiences of men and matters for Mr Walchand and he was never slow to profit by them. He also had various amusing experiences during the course of his activities, and instead of getting annoyed or anxious over these, he took them as they came, and actually enjoyed them, perhaps, more than did his companions, because of his innate sense of humour and his keen sense of proportion. He is never tired of relating some of these entertaining episodes even to this day and it will not sound as an exaggeration to a student of that complex machinery, the human mind, if it is stated, that his sense of humour and his readiness to appreciate the lighter side of things, even when things go wrong are as much responsible for his success as his other great qualities of quick judgment and sound planning , for a readiness to smile where others feel

vexed and a promptness in appraising any event, light or serious, grim or gay, at its proper value in time and place, are perhaps the greatest saving factors in the building up of the character of an uncompromising man of action, that Mr. Walchand essentially is.

Many of Mr. Walchand's friends have been regaled with the story, for example, of the bailiff of an honourable Court of Bombay, who was entrusted with the novel and exciting task of rounding up a number of refractory donkeys, as a part of his otherwise very sober and dignified duties It was during the contract connected with the Harbour Branch Railway that Mr. Walchand had imported several donkeymen who had worked for him in Sholapur District and elsewhere, probably because they were experts in their own line and Mr. Walchand has a decided weakness for experts. These men having been paid the rates that they had asked, for a work outside their usual haunts, soon, however, found that they had not taken into account the difference it would make to them to feed the donkeys in Bombay, instead of the donkeys feeding themselves as elsewhere. The donkeys in moffusil works were let loose for the night and with true assinine instinct for foraging in any field and anyone's field, they had made their messing arrangements themselves without demanding any subsidy or subvention whatsoever from their owners In Bombay, however, the donkeys found that unless they were fed by their owners they had to go without their dinner, breakfast and lunch The owners found this a

costly item of operative expenditure that upset their estimates of cost and wanted to return to their and their donkeys native heath. This meant not only dislocation of the work in hand, but it further meant loss of advances made to donkeymen, which advances had been a practice so far found to be without any great risks. The donkeymen had to be kept to their jobs or in the alternative, the advances made to them had to be recovered by the well known *processes of law It was in this* connection that the bailiff was sent out to collect and withhold the only property that the donkey men had, namely, their donkeys. The bailiff's attempts in this connection proved a very entertaining diversion to all concerned except perhaps to the donkeys themselves and, of course, to the bailiff.

During another contract, Mr Walchand was in the habit of leaving Sion by a very early train for Diva and his staff used to join him from their own camp, on the line somewhere near about the Diva station. The staff was in the habit of beginning to get ready betimes, after the long distance signal for the train bringing Mr Walchand was reported to be down. Once the officers ordered their morning tea as they proceeded to dress up hastily to meet Mr Walchand, as usual. The hurried cup of tea tasted very peculiar but nothing was said about it until in the evening when all had sat down to rest and someone remarked that the morning tea had tasted like anything but the cup that cheers but does not inebriate. The camp

cook who was withal a truth loving man, then informed the company that in the hurry of brewing the early morning cup, in the dark, he had mistaken the tins and instead of tea he had used chilly powder for the brew. Mr. Walchand shares this joke with friends even to this day. Such instances have often relieved the tedium of work and Mr. Walchand has always been amongst the foremost to enjoy them.

One important work followed another and Mr. Walchand's organisation for constructional work grew larger and more efficient from day to day. The various qualities that have now made Mr. Walchand justly famous were coming increasingly into play even in those early days, making for the progressive success of his various undertakings, both small and big. His keen insight into the details of every work often led him to make profitable discoveries which he never failed to utilise to the best advantage of his organisation. He always knew his own line of action, to the minutest detail, well in advance, and could, therefore, rise equal to any occasion and provide up-to-date machinery and equipment to ensure the success of his undertakings. He was convinced by his experience that more up-to-date and mechanised equipment led to greater economies, enabling him to underquote his competitors without in the least sacrificing efficiency or speed.

In an early contract, for example, connected with a big

railway work, Mr Walchand found that there were a number of goods wagons, formerly employed by the railway for manganese ore transport, but lying idle then, as there was slump in that particular traffic at that particular time. He, therefore, proposed to utilise these wagons for the transport of the materials required for the contract, at reasonable rates, and thus could not only secure easy and cheap transport for his materials but found employment for the idle railway wagons, a fact that was welcomed by the Traffic Department of the railway as well. This is only an instance of how Mr Walchand keeps a vigilant look out all around him and does not miss any possible opportunity of adding to the efficiency and the economy in his work and often can even show to the parties of the other part how a particular action would benefit not only himself but them as well. He is always prepared to make even what might appear in the beginning to be a costly lay out, if it ultimately works out to the benefit of the undertaking. Thus for this particular contract he not only built a broad gauge railway siding for himself to carry the materials to the site but he also leased out a hill for obtaining *murrum* needed for filling work.

Mr Walchand's methods being generally unfamiliar and, therefore, unconventional in those days, were often not only not appreciated by his convention loving competitors but more often than not these were criticised as extravagant and bound, as such, to result eventually in losses, and the critics were every time in the wrong It was in connection with the Harbour Branch Line work, for

example, that Mr. Walchand had occasion to deal with a Bombay quarry contractor and stone supplier. The enquiries made by Mr. Walchand and the rates mentioned by him made the veteran quarry contractor almost break into a smile of derision and he was led to predict that Mr. Walchand was 'more likely than not to leave his gold bordered turban in this business'. Mr. Walchand's ways were new to him as they were new to many another old fashioned confrere; and Mr. Walchand always scored where they did not dare even to quote.

The swiftness with which Mr. Walchand acted even in those days often surprised even the various engineers in authority, who had many a project to their credit, but projects that were carried out so far by old fashioned contractors, in the good old conventional way. Once, while a Railway gave Mr. Walchand a large contract relating to the earth work for quadrupling the railway lines, the Engineer in Charge, was surprised to find on visiting the site on the very next day that Mr. Walchand's organisation was already at work and loads of materials were regularly coming over the light railway laid down for the purpose He further saw several qualified engineers beginning operations on different sections of the work, and all this within forty-eight hours of the Chief Engineer's signing of the contract.

Réference has been made elsewhere to the building of barracks for expected prisoners at a military station in the

Bombay Presidency during the last war and the fine job that was made of them. Another characteristic illustration of Mr Walchand's methods and swiftness of decision can be taken from the history of that work. As soon as the work was secured, Mr Walchand set his organisation in action and himself proceeded by train, the same night, to the site, reaching there early next morning While driving in a tonga to a general stores to purchase a few biscuits etc. Mr Walchand entered into conversation with the tongawalla and within a few minutes he had bought the tonga and the horse complete with harness and fixtures and had engaged the erstwhile owner of the contraption as its driver Within a few more hours he had made all the *necessary preparations, hired houses to quarter his staff and* wired to Bombay for men and materials and to Ahmednagar for more tongas. A very similar instance occurred when Mr. Walchand was invited by the Military Authorities to carry out a certain urgent and important construction work for them at another military station. Mr Walchand had accepted this work with his usual dramatic quickness. On arrival at the *railway station* there, however he found that there was no accommodation for him and his staff in the station waiting rooms, where he had originally intended to pitch his first temporary camp He hired a bullock cart and proceeded in it to the address of an erstwhile college friend, (later, a Minister in the Congress Government of Bombay), and on the way, he bought up *the bullock* cart with bullocks and their appurtenances complete, and repeated the story related

Mr L B PHATAK

Mr WALCHAND HIRACHAND

Partners—Phatak & Walchand Ltd

above in all its details. The work was begun in the shortest possible time because within a few more hours his staff of officers and workers found rented quarters ready for their occupation so that they could be 'all set' without any delay.

It was during the above contract that Mr. Walchand had to face the difficulties that often arise out of the Red Tape methods of the Government Departments in every country, but more so in India. The Garrison Engineer and the Public Works Department could not be of one mind as to who should order the work and while they were trying to settle the question with circumlocutory correspondence, Mr. Walchand quietly decided upon starting the work on his own, leaving the conflict of jurisdiction to be settled in its own due course, especially as Mr. Walchand knew that the work was of military importance and urgency and the decision, in any case, could not go against him.

Yet another instance of the enterprise and quick judgment that have always been the characteristics of Mr. Walchand, is supplied by the manner in which he secured a very difficult blasting contract, at yet another very well known large military station in the Bombay Presidency. Mr. Walchand was just passing through that station and casually heard about it. An extension, it was said, to an ammunition factory was being contemplated and as it involved large scale blasting operations when the

main building was actually busy manufacturing munitions, the local contractors had one and all been reluctant to tender for the work. His friends told him that though the usual rates for such work were about Rs. 6 to Rs. 8 per 100 cft. of rock cutting, the extra danger involved would justify a rate of anything from Rs. 10 to Rs. 12 per 100 cft. and even at that rate the risk involved made the work unattractive. Mr Walchand called upon the Engineer-in-Charge, a special expert imported from England in view of the extraordinary nature of the work. In the ante-room to the Engineer's chambers he found a representative of a well known European Engineering firm, who had just come out of the chamber, and seeing Mr Walchand, told him that he had refused to undertake the work because of the risks involved. Mr Walchand, instead of being discouraged, saw the Engineer Specialist and after hearing all that he had to say, explained to him how he felt confident he could succeed in carrying out the work if he was given the rate of Rs. 33 per 100 cft. This was nearly four or five times the normal rate, but the scheme of work outlined by Mr Walchand had so much impressed the British Engineer that he wanted Mr Walchand to put down his offer in writing, which, of course, Mr. Walchand did on the spot. The Engineer promised to give him a reply in the course of the afternoon because, he said, he wanted to get in touch with higher authorities and proposed to do it by a clear-the-line message to Simla. Mr Walchand utilised this short interval in making all the preliminary arrangements at his own risk. He immediately

started engaging workmen and securing equipment and within a couple of hours completed preliminary preparations to start the operations the moment he was given the word to proceed. Simla meantime had replied favourably and when the Engineer informed Mr. Walchand of this and learnt in reply that Mr. Walchand had already got together considerable labour, materials and equipment to begin the work, even before he had secured the contract, he was as much pleased as he was astonished.

Such incidents have more or less become common features of Mr. Walchand's methods of work during these many years of his constructional activities. They have given confidence to high military and civil officials of the various Governments in India, both Provincial and Central, in Mr. Walchand's capability of tackling any and every work, more especially larger and more difficult projects that require great technical skill ; and it is now a matter of common knowledge in the world of constructional engineering, that whenever a great and specially difficult project has to be carried out with unfailing efficiency and in record time, the authorities often seek out Mr. Walchand to do the work rather than risk its success by adopting the routine procedure. One more example that is eminently illustrative of Mr Walchand's superb qualities as a constructional contractor of a type unique in this country, despite the fact that there are many foreign constructional engineering companies in the country, may be noted here, if nothing else, to illustrate how and why

projects that have never been tackled by Indians before, have with confidence been entrusted to be carried out by the organisation of Mr Walchand.

The Bhore Ghat, on the Bombay Poona line, had once a reversing station, that is, a point where the trains had to do a round-about turn, in order to negotiate a very awk ward junction of steep gradients. It was proposed to connect the two points by boring a tunnel through the intervening mountain and thus do away with the waste involved in the reversing process. The Chief Engineer of the Railway, while discussing this with Mr Walchand, stated, inter alia, that there were hardly any experts in India who could do that job. Mr Walchand was, however, further told by the Engineer that he had heard about one such expert who had Indian experience but that he could not recall his name. He, however, did remember to have read a paper published in the Engineering Association s Journal in England, contributed by that particular expert. Mr Walchand, thereupon, cabled the Association, referred to the paper and got the full name, titles and address of the expert who was then working in Nairobi. He cabled to the expert at Nairobi to come over to India and as in reply the expert said that his wife did not agree and desired to proceed to England for a holiday, Mr Walchand arranged for his whole family to proceed to India and deposited a considerable sum towards his expenses in a bank convenient to the expert. He then proceeded to secure the equipment required for the work of that

magnitude and offered to buy up machinery from a tunnel work, for a Hydraulic Project near about the site of work, so that he could be ready with the necessary plant and energy when required. The then owners of that Hydraulic Project while discussing Mr. Walchand's offer to purchase, demanded double the amount of the option money if the subsequent purchase was intended. Mr. Walchand was then out of Bombay, but his office, trained as it is in Mr. Walchand's methods of business, instead of wasting time by asking for and awaiting the instructions of Mr. Walchand, sent down a cheque for the double amount demanded and secured the option on the requisite equipment.

When the Railway Engineer heard about the arrangements already made by Mr. Walchand, complete with expert and equipment, he was naturally very much surprised and pleased, but expressed a feeling that this might put the railway into rather an embarrassing situation, because the railway itself, if it decided to do the work departmentally would naturally want that equipment, which was now, so to say, 'cornered' by Mr. Walchand. Mr. Walchand immediately offered to make over the equipment to the railway at cost price, so to say, and thus put the railway out of an embarrassing situation, if the railway organisation wanted to do the work departmentally. Such quick and efficient action coupled with such goodwill shown by Mr. Walchand was not lost upon the railway Mr. Walchand got that work, unique of its kind

throughout the world, in several respects, even though his tender was higher by about five lacs than the two other tenders.

These few episodes are selected at random, from many such, with a view to illustrate the various qualities which together may be said to form the genius and the forte of Mr Walchand, as well as with a view to explain the secret of success of Mr Walchand, not only in his career as a constructional contractor, but in almost all the great undertakings of his life.

As mentioned before, during the first few years of his business career, Mr Walchand was pre-eminently *engaged in constructional activities.* During the continuation of the partnership between him and Mr Phatak, Mr Walchand and his firm had already distinguished themselves as successful constructional contractors and had carried out a number of works with efficiency, building up a reputation that attracted the attention of *the world in* which Mr Walchand was moving. The advent of the war of 1914-18 had naturally resulted in a great boom of constructional work, mostly of military importance, and as has been related elsewhere in this volume, Mr Walchand s firm had their full share and more of the works that were offering.

IV

The end of the war in 1918 witnessed the rise of a new class of businessmen, restless and active, eager to invest their war-made fortunes, thus providing a natural incentive for the development of the city and the schemes promoted towards that end by the then Governor of Bombay, Sir George Lloyd. These schemes involved considerable constructional activities and it was Mr. Walchand who was one of the first to realise that these activities, as contemplated by the Governor, if carried out with the assistance of the foreign and imported construction companies, would operate as an effective drain on the newly acquired wealth of the country. Mr. Walchand wanted the public also to realise this and to share the fears that he had about the drain on Indian resources which was inevitable unless the industrialists of the country could mobilise their resources and start productive activities themselves. He published all that he had to say about the Governor's scheme as a full page advertisement in the pages of the then already aggressive *Bombay Chronicle.* The Governor, soon after this, mentioned to Sir Dorab Tata the necessity of starting a great constructional engineering firm in Bombay which could tackle some of

the vast projects that he desired to launch. The Governor's professed intention was to clear up the slums of the city and provide better conditions of housing, with greater amenities of life, for the growing industrial population of the urbs prima in India. He wanted to reclaim, if not the whole, at least a part of the Backbay for providing land for better class housing and to rebuild Bombay wherever possible. A better planned Bombay had become the burning theme of the day It was a great occasion and the occasion wanted its men.

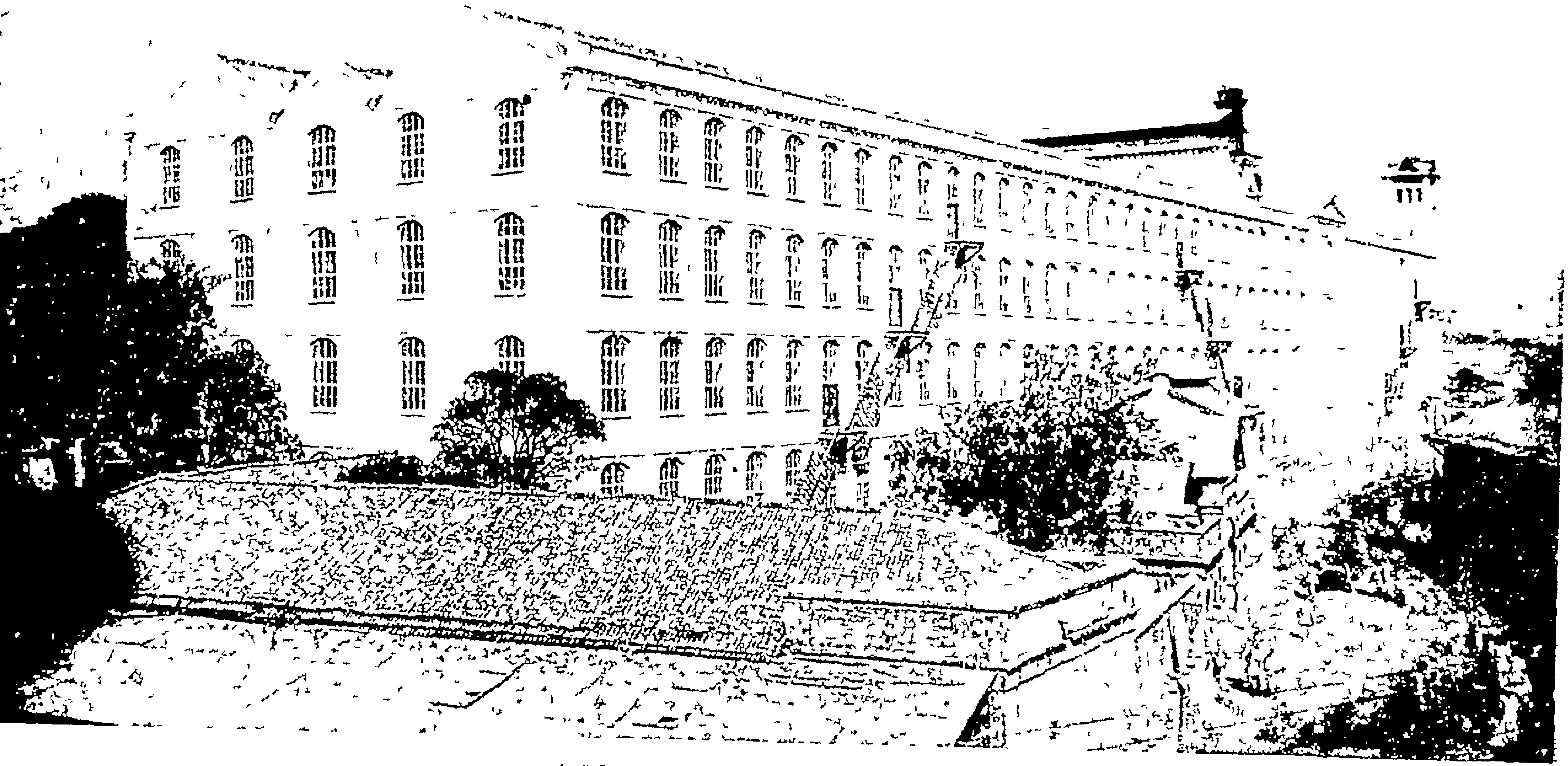
The Tatas were willing to take up their role in these forthcoming events and having decided to start a construction company they invited Mr Walchand, who had already expressed fears about the whole development expenditure in Bombay going to non Indian enterprise, to join their Board as an active asset to the new Indian enterprise, now contemplated by them. In inviting Mr Walchand to join them in their construction company, the Tatas were not only anxious to secure the man who had already proved himself to be of outstanding ability in this field, but they were anxious to secure the man who had already had considerable works to his credit and many more on his books, works that could form the basis of the company's initial operations and ensure continuity of business. The newly formed company proposed to have their own brick fields, timber yards, saw mills, founderies, workshops, etc. and to have their own departments for carpentry, smithy sanitation, plumbing painting,

glazing, etc. It was a well-planned venture and needed a man who could control and co-ordinate its different important sections. They found the man in Mr. Walchand.

For Mr. Walchand, this invitation from the Tatas was perhaps only a great compliment. That the House of Tatas should themselves invite him to run an enterprise associated with their name, as Managing Director, and that they should single him out as one competent to organise and control such an ambitious concern, was certainly a compliment, but it also meant Mr Walchand's merging himself into a firm which was not his very own, like the Phatak and Walchand Ltd. where he was the sole authority since the retirement of Mr. Phatak, and was by no means in need of good profitable business He was advised by his close friends and well-wishers not to accept the offer of the Tatas. Mr. Walchand, however, saw the opportunities that he would have with the wider field and the greater activities that the new concern was bound to control, the opportunities to play a great role in the remaking of Bombay and of being instrumental, even though indirectly, in bringing about conditions favourable for the launching of a new industrial era in the country. He, therefore, decided to accept the invitation and joined the Tata Construction Company Limited (1920).

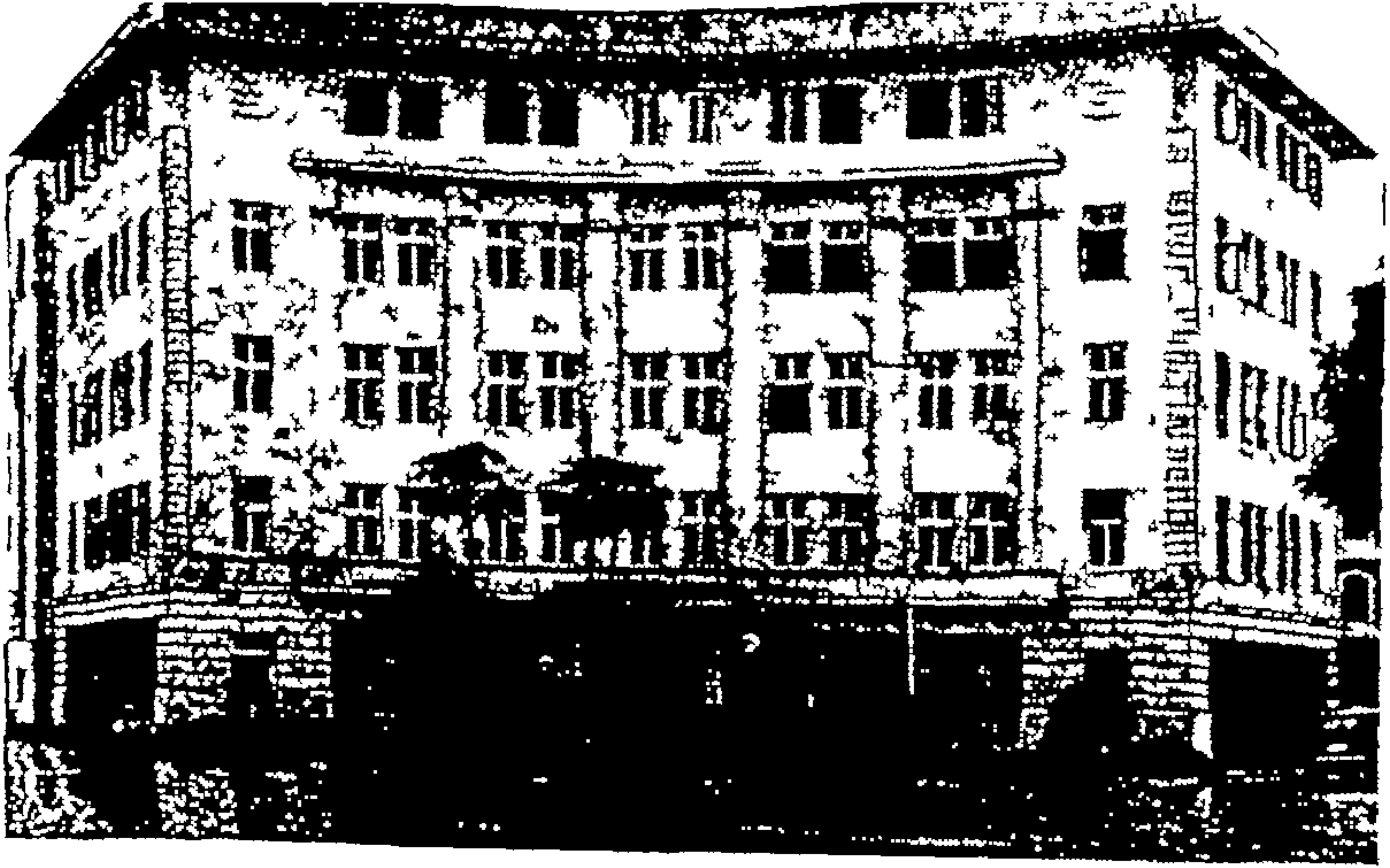
The achievements and the vicissitudes of the Tata Construction Co. Ltd. have been described elsewhere in this volume. As Managing Director of this firm, Mr. Walchand carried out various engineering schemes which

need not be described here. It may, however, be mentioned that quite a good few of these works came to be given to the Tata Construction Company because the authorities competent to accept or reject the tenders had great confidence in the personal ability of Mr Walchand to carry them out efficiently and satisfactorily To give only an example, one such work was the duplication, with much larger mains, of the Tansa Water Pipes that daily supply the city of Bombay with millions of gallons of water that its large population requires. The scheme meant the relaying of the entire pipe line from some fifty miles away from Bombay to the principal distributing heads within the Municipal limits. The then Municipal Commissioner and even the then Governor of Bombay favoured the giving of this work to a British firm, said to be equipped with necessary staff of specialist engineers, plant and equipment, whose tender besides was lower than that of the Tata Construction Company The Hydraulic Engineer of the city, however, was directly responsible for this work and he could not but recommend the Tata Construction Company for this enterprise as being the only reliable organisation for the purpose, especially because he knew that Mr Walchand was familiar with every inch of the ground over which the pipe line was to pass. The project was ultimately given to be carried out by the Tata Construction Company Limited because of this great confidence that the man in authority had in the ability of Mr Walchand. Needless to say that the project was carried out to the satisfaction of the authorities.



A MILL SOMFWHERE IN INDIA

Contractors Tata Construction Co Ltd.



CONSTRUCTION HOUSE, BOMBAY

Head Office of the Premier Construction Co. Ltd. and the Associated Companies

Reference has already been made to the Bhore Ghat realignment scheme, the successful completion of which was yet another achievement of Mr. Walchand and the organisation that he controlled. These and many other constructional projects carried out by Mr. Walchand, had and have a much greater significance in the world of constructional engineering than the mere success of an individual or a firm, for these unprecedented successes laid low for ever the bogy, often raised by those in authority, of the incapability of Indians to carry out works that required technical skill and considerable mobilisation of resources, a bogy that had hitherto been often raised with the express purpose of excluding Indians from being given the opportunity of proving their worth and their ability in the world of constructional engineering.

The Tata Construction Company, now for some years known as the Premier Construction Company, with its various subsidiaries carried out considerable other works such as, the bridge over the Nermada river for the G. I. P., the Kalabagh bridge over the Indus, the Maniyeru bridge over the Krishna river, the Ava Bridge over the Irrawaddy river near Mandalay in Burma, the Nermada bridge for the B. B. & C. I. Railway and various other works of considerable magnitude. Some of these had to be carried out with a great rush in a race as it were against time, and several records were broken to complete them. The original Nermada bridge on the G. I P. Railway, for example, was washed away during the heavy monsoon

floods of 1926, thus imperilling an arterial link between Bombay and Calcutta. A subsidiary of the Tata Construction Company undertook the work which could be commenced only in November 1926 They completed the construction of the approach banks and the new alignments, the abutments and the abutment piers, formation of the high banks, which in some places were as much as sixty feet high from the river bed, and altogether required one million tons of earth, within a record period of about seven months. The company had its own light railway and its own sidings and its own steam-hauled trains which carried the traffic needed for this work. Petrol and steam rollers were employed to speed up the work and the delay in the opening of the bridge occurred only because steel work for the bridge was not ready in time.

This is only one example to show how speed and efficiency have been the constant characteristics of the undertakings carried out by the constructional engineering firms controlled by Mr Walchand and several other great projects can be mentioned to illustrate the same features being consistently revealed in one work after another

V

A very good illustration of Mr. Walchand's faculty of knowing just what to do about every detail and how to do it, called by the French the quality of *Savoire Faire*, is provided by an episode in connection with a contract carried out by Mr. Walchand in Burma. A bridge of a considerable magnitude was to be built on the mighty Irrawaddy. In order to appreciate the full significance of this episode it will have to be begun from the end. After the contract was completed, it was pointed out to the Burma Railway authorities, perhaps by an over-studious official auditor, that the Contractors had made undue profits owing to change from British to Indian Cement. The Burma Railways, thereupon, referred the matter to the Railway Board in India, as this story refers to the time when Burma was not separated from India by the impelling mandate of the British vested interests The matter was brought before the Standing Finance Committee on Indian Railways. The Railway authorities frankly admitted that certain savings were made by the Contractors to their knowledge, by use of indigenous materials for instance, and it was pointed out that the Assembly itself had resolved and directed that indigenous material should

be used and that at the time the change from British to Indian material was effected Mr Walchand himself was unaware of the possibilities of securing such savings. It came out during the enquiries that these savings were entirely due to the business acumen and the foresight of Mr Walchand. It was, therefore, considered unfair to deprive the Contractors of these earnings about which neither Mr Walchand nor the Railway authorities were aware at the time the contract was entered into

The facts were as follows The Burma Railways had invited tenders both for the work as a whole as well as separately by sections. On the tenders being opened it was found that the aggregate quotation of a British company was lower The work was, therefore, decided to be given to that British company

When Mr. Walchand knew of this decision, he referred the Railway Board to the Stores Purchase Rules adopted by the Government, and to the settled policy in such matters laid down by the Assembly and accepted by a Government Resolution, whereby Indian goods and personnel, when equal in quality and calibre, were to be given preference. The Burma Railways, Mr Walchand pointed out, had violated that policy The authorities in India upheld the various contentions of Mr Walchand, and a subsidiary of Mr Walchand's organisation that had quoted for this work was, therefore, given a substantial portion of the contract.

One of the items required for the works, namely, cement was stipulated in the specification to be British cement of a particular brand. Mr. Walchand again raised the same contention, first with the Burma authorities and then with the Government of India. Mr. Walchand wanted that preference should be given to Indian cement of the same quality and admitted, on being asked, that substituting Indian cement would mean a saving of about Rs. 2 to Rs. 3 per ton—which factor, however, was incidental, the insistence being on the use of Indian materials of the required quality. The Government allowed the use of Indian cement and changed the relevant specification accordingly. Mr. Walchand next approached the Indian Cement Companies and impressed upon them the great value, in the long run, of securing new markets for their material, such as he had secured for them in Burma. He, therefore, urged for a reduction in the price quoted and secured, as a large customer, a further reduction in price, adding thus considerably to the saving that he had already effected. Mr. Walchand then approached the Shipping Companies and pointed out to them that the freight then being quoted for carrying cement from India to Burma was excessive and should be suitably reduced. A reduced rate was thus obtained and this further added to the savings on the contract. Mr. Walchand also asked for reductions in certain items of the Rangoon Port Commissioner's charges. These were also granted.

All the above facts were placed before the Railway

Board and as the use of Indian cement of the specified quality was permitted by the authorities themselves, the saving on that account could in no sense be regarded as an undue profit. The other savings were held to be of a nature that anyone with sound business sense and acumen could normally effect with a view to combine economy with efficiency, and so, in short, the charge against the Contractors of having made undue profits could not hold water The Standing Finance Committee, upon these considerations, allowed the Contractors to retain what they had earned by business capacity and foresight.

To revert to the story of the Tata Construction *Company however A list of major works carried out by* the Tata Construction Co Ltd., has been given elsewhere, but it may be mentioned here that during the five or six years of its active existence, the company carried out, under direct control of Mr Walchand, various major works including buildings, both residential and industrial, railways, bridges, tunnels, pipe lines, roads, etc. aggregating by estimated cost to about Rs. 6 crores.

The Company, however, had suffered certain reverses as described elsewhere in this volume, particularly in connection with the Hume Pipe venture and had to reduce its capital in 1925 The story of the Hume Pipe venture under the aeges of the Tata Construction Co Ltd. has also been described elsewhere in this volume and it need only be mentioned here that it was no small credit to

Mr. Walchand's management that this very enterprise, which was incurring enormous losses while under the management of a European expert, has been steadily earning dividends under Mr. Walchand's management, extending and expanding its activities to great proportions.

There was no constructional work where the Company did not achieve satisfactory results. This was due to the fact that these works were from the very beginning under the sole direction and control of Mr. Walchand. There was only one exception to this unique achievement. The Company lost on a contract to construct a conduit about sixteen miles in length for the Municipal supply of water to a certain important city, then within the Bombay Presidency, but the loss on that work also was in no way due to lack of efficient organisation or want of pains on the part of the contracting firm. That episode illustrates fully the one-sidedness of the contract agreements and the utter helplessness of the contractor when the party of the other part chooses to be consistently unreasonable and refractory. The facts are summarised below to illustrate this aspect of the contract agreements.

After the contract had been entered into with the Municipal Authorities to build the conduit, the Chief Engineer of the Municipality prepared a sample of masonry work for the guidance of the contractors. The sample was far beyond all agreed specifications and was admitted even by the next succeeding Chief Engineer of

the Municipality as not really covered by the terms of the contract. But the new Chief Engineer *rejected* the sample prepared by the contractors and suggested changes which if agreed to would practically amount to double the cost, if not more. A contractor it may be added cannot ever dare to make the slightest modification in the form of specifications without vitiating the tender altogether The company, therefore, began the work under protest, in the hope that the Municipal authorities would play the game and give them a fair deal in the end. The Supervising Committee of the Corporation, which incidentally had on it a competing contractor and a disaffected lime merchant, prevented any amicable arrangement being arrived at and the work continued as per the sample prepared by the *authorities, involving* the *Company into continuous loss* from day to day

Mr Walchand in vindication of the work, invited some of the most responsible and experienced engineers in India to inspect and opine upon the work. Four of these were Europeans and seven were Indians and each one of them enjoyed a very high status in his profession. Five of them were familiar with the local conditions and six were from outside and, therefore, could be presumed *to have been completely* unbiassed. It *may* be mentioned in full vindication of the quality of work turned out by Mr Walchand s organisation that each and every one of these eleven experts pronounced the work as perfectly suited to the purpose for which it was destined

The Municipality, however, was adamant and took shelter under the clause in the contract by which the Municipal Chief Engineer was to be the final judge and the sole arbiter of any dispute or difference between the Municipality and the contractor—his decision being binding on both. This was an inequitable arrangement on the face of it. But the arrangement was there, accepted by the contractor. Eminent counsels, who were shown this contract agreement, admitted its inequitability but at the same time opined that under such agreements a contractor had not the slightest chance to succeed. The Company had ultimately to bear a loss of over seven lacs on a contract of a total value of rupees thirteen to fourteen lacs, for absolutely no fault of theirs.

This episode is related here just to point out the inequitable conditions under which the business of constructional contracting has to be carried out, and by the same token, it speaks volumes for the efficiency and business acumen of men like Mr. Walchand that have made a great success of this business. It also illustrates a practice of contractors, a practice regarded as sound by Mr. Walchand, to put up with losses where these are unavoidable, instead of taking disputes to a Court of Law. He considers this as a sound policy for a contractor, for, if a contractor were to stand on his rights and resort to litigation everytime a dispute occurs, he will have ultimately to go without business, especially as the defendants are in most cases the possible future employers

and, therefore, an amicable settlement in every case, even if it involves losses, is a policy that pays in the long run."

During the time that Mr Walchand continued to be associated with the Tatas as Managing Director of their Construction Company and its several subsidiaries created later on, he had uniformly cordial relations with his colleagues on the Board and with the partners of the Tata Sons, Limited. In all these years Mr Walchand can remember hardly a couple of occasions when the decisions of the Board, even on the most critical questions, were anything but unanimous. A very highly placed officer of the Tata Sons, after his retirement, once told Mr Walchand that sometimes cases used to occur where the Directors would, before the Board meeting, decide to take a particular view of the pending question and to press for it before the meeting, but after they had discussed the points involved with Mr Walchand in the course of the Board meeting they could hardly help themselves and took the same view as Mr Walchand wanted them to take—and thus the decisions became unanimous. On one or two occasions when a dissent was recorded it was only from a single Director and that too on some relatively unimportant questions that had nothing to do with the fundamental policy of the Company

From its very inception, the Tata *Construction* Company Limited, had naturally, been more and more dominated by the dynamic personality and the energetic

and successful activities of Mr. Walchand. He it was that had brought with him his expert organisation and his expanding business that served as a foundation for the Company's progress. He was not only the Managing Director, but the sole responsible authority in guiding the policy of the Company in its constructional activities. He managed all its subsidiaries, and thus controlled the whole enterprise, and successfully carried out great projects of a nature hitherto not handled by Indians. When, therefore, the Tatas decided to terminate their association with the company, Mr Walchand purchased all the Promoter's Shares and the name and style of the Company was then changed to that of The Premier Construction Company Limited.

VI

It has already been mentioned before that besides constructional engineering Mr. Walchand is interested in two other great industries namely Transport and Agriculture. His attention was pointedly drawn to agriculture by a speech addressed to the Indian Merchants Chamber, Bombay, by Sir Chunilal V Mehta (1921) who was then the Minister for Agriculture in the Government of Bombay Sir Chunilal tried to impress upon the mind of the commercial community of the Presidency the fact that agriculture deserved to be regarded as perhaps the largest single industry of India and it was bound to remain so for a long time to come. It is characteristic of Mr Walchand that he alone amongst the audience took these exhortations of his friend Sir Chunilal V Mehta to heart and made a serious attempt, and ultimately a very successful attempt, to organise agriculture as a modern industry Quite a few others followed suit much later, but there is no doubt that Mr Walchand is the pioneer in this line in more ways than one.

A short note on the Ravalgaon Farm, established by

Mr WALCHAND USED TO LIVE HERE ONCE—AT RAVALGAON

DIRECTOR'S BUNGALOW RAVALGAON

Mr. Walchand, near Malegaon, in Nasik District, has been included elsewhere in this volume. The farm grew sugarcane, cotton, tobacco, chillies, bananas, etc. Mr. Walchand thus had already some practical experience of agriculture, when the Royal Commission on Agriculture commenced its deliberations in India (1926). Mr. Walchand took to agriculture as an industry and a business because he was convinced that the interests of trade, industries and commerce were not and could not be separated from the interests of agriculture. He had, however, realised in full, even in those few years, the almost chronic difficulties of agriculturists and the reasons why agriculture was not more generally taken up as a business. He had tried all available modern and scientific means to make his farm a reasonably attractive business proposition, without much success, because of various difficulties regarding water supply, transport, roads etc., many, if not all of these, being due to the strangling red tape methods of the authorities.

Mr. Walchand was, therefore, keenly interested in the work of the Linlithgow Commission on Agriculture and gave evidence before the Commission, not primarily as an agriculturist, 'the mutest of the mute', but as one of the two representatives of the Indian Merchants' Chamber, Bombay, of which body he was then the President. He made some useful points in the course of his statement and his oral evidence. Some of the measures that he suggested for the amelioration of agriculture in India

were improved means of transport, better telegraphic and telephonic communications, reorientation in the policy of charging rates for irrigation water supply, free supply of manure and even water to raise green fodder, etc. He also outlined a scheme to make education cheaper and more accessible in the agricultural districts, and to give it as much vocational bias as possible, and suggested the establishment of demonstration farms in as many places as practicable and asked for a greater and more practical co-operation between the agriculturist and the Agricultural Department.

The Agricultural Commission, like most Commissions, whether Royal or otherwise, that have examined different questions relating to India from time to time did not discover anything particularly original with regard to the known conditions and difficulties of agriculture in India. Its report described for the umpteenth time how the Indian agriculturist suffered from poverty and was in a chronic state of indebtedness. It also tinkered with various socio-economic theories, and mentioned tentative and theoretical remedies that may be tried to give partial relief to the agriculturist, but even that report, like the reports of many other Commissions, fell flat on the whole except for the founding of the Imperial Council of Agricultural Research. The Commission, however, did some useful work in revealing the fact that agriculture was not only the basis of the food supply problem of the country, but it was the foundation of all its industrial

strength. The Commission also pointed out that there was superabundance of labour in the country and vast agricultural resources could be tapped if the employment of labour could be scientifically carried out, and incidentally made an opportunity for the government to appoint another Royal Commission, now on Labour. The government in this country has often in the past successfully stemmed the rising tempo of a popular cry against their apathy and faineantism by appointing committees and commissions and perhaps deserves on that score to be the foremost member of what the Americans aptly call the Exalted Order of the Society of Log Rollers

The findings of the Agricultural Commission, however, were directly responsible for a conference of the representatives of various Provincial Governments and commercial interests to consider ways and means for the amelioration of agriculture. Mr. Walchand was elected to represent Indian Commercial interests on that Conference. In his inaugural address the Viceroy laid great stress on the need for a long range policy of encouraging research. While it all sounded very sympathetic and elaborate, the sum total of the Viceroy's speech appeared to be extremely disappointing to Mr. Walchand, leading perhaps to the employment of a few more foreign experts without in any way contributing towards the mitigation of the hardships that are the chronic lot of the Indian agriculturist or towards the general improvement of agriculture as the basis for expansion of industries Such

being his reaction to the Viceroy's speech, Mr Walchand could not bear to listen to the next speaker who was now on his feet and in the approved fashion was complimenting the Viceroy on the formal observations that he had made. Mr Walchand, in his impatience, literally pulled the speaker down by his coat tails and himself took possession of the floor. He went straight to the point and demanded an explicit assurance from the government, an assurance of concrete action to secure the protection of those industries which could be directly founded on the basis of improved agriculture. He said that unless agriculture itself was treated as an important industry deserving the aid that modern scientific research and appliances could give, and unless the raw materials raised out of such industrialised agriculture could be turned into finished products by the establishment and development of dependent industries, no amount of lip sympathy and academic research could help the country He happily instanced sugar to illustrate the points that he was making and pointed out how without a suitable protected sugar manufacturing industry in the country, cane cultivation had become unprofitable. India, he said, was a producer of sugar from the oldest times. It had the largest amount of land under sugar-cane cultivation even at that time and yet it was unable to meet the competition from Java or Mauritius or from bounty fed sugar imported from European countries The majority of the masses had to be content with gur or jaggery in place of refined sugar, which had to be imported, about a million tons of it

annually, mostly from non-Empire countries. It cost the country, said Mr. Walchand, over Rs. 20 crores per annum, which, he said, was a drain on the country. The papers circulated to the Conference had revealed that even the outlay on irrigation by several governments was proving unprofitable, as the use of irrigation water for commercial crops was extremely limited. The Bombay Government had large sections of irrigation works in the Deccan and their water could not be used to the full at remunerative rates Such works had, therefore, to be classed as protective works. The Bombay Government had also suggested that something should be done to encourage the manufacture of sugar so that a larger demand may be created for irrigation water to grow sugar cane. Mr. Walchand resumed his seat after making out a strong case for protection to sugar industry, as a concrete measure towards helping agriculture as an industry.

The Government of India were unwilling to accept such concrete suggestions. They had several excuses ready to justify their policy of inactivity. One interesting excuse was that the Bihar and the United Provinces, which had the largest area under sugar cane, were unable to agree to any such recommendation as was made by the Bombay Government. Mr. Walchand doubted if the governments of these two provinces had ever considered the various problems from the particular viewpoint that he was presenting and he made it abundantly clear that, as representative of the industrial and commercial interests of

the country, he considered his presence at that Conference anything but useful unless the *government were prepared* to give up their talk of long range policies, unimplemented by any active and immediate measures to achieve the ostensible purpose of the Conference. Mr Walchand was supported only by one other member of the Conference, Mr Ramdas Pantulu, a veteran of the co-operative movement, and a member of the then Council of State.

Mr Walchand thus focussed the whole issue on the question of specific assurance of a measure of protection to the sugar industry The government fended and parried. The Imperial Council of Agricultural Research was yet to be formed, and even then as an advisory body , it could not be an executive authority, and so on and so forth.

When, however, the Conference reassembled after lunch, the Hon ble Sir Mohamed Habibulla, Government Member for Education, Health and Lands, took the Chair and Mr Walchand ultimately succeeded in obtaining the desired undertaking from him that as soon as the necessary formalities were over, the government would take steps to investigate the case for sugar industry The Sugar Committee was then formed to consider the problem of the industry as a whole as also the question of protection. Under the new fiscal policy adopted since 1923, following the report of the fiscal commission, any industry seeking protection had to be investigated into by a Tariff Board whose recommendations were liable to be

placed before the legislature for action. The Sugar Committee went into the question of protection tentatively and ultimately decided that protection to the sugar industry was necessary and the matter should be referred to a Tariff Board. Mr. (since Knighted) Burt, the technical adviser to the Imperial Council of Agricultural Research, had at first tried to convince the Sugar Committee that protection to the sugar industry would not be in the best interests of the country. He had cited the experience of other countries in this regard and had tried to make out that protection had not really succeeded in developing that industry in any country. He had quoted the example of Germany, Belgium and even Great Britain herself, in support of his opposition to the case for protection. When, however, the Sugar Committee decided to recommend protection and an investigation by the Tariff Board for that purpose, Mr. Burt was asked by the Committee to prepare a case for protection. The very next day he produced a very excellent case for protection, in loyalty to the Committee, though against his own previous contentions.

The subsequent events that led to the Sugar Industry receiving protection are but public history, but it is not in the least an exaggeration to say that the credit for initiating conditions favourable for the establishment and growth of sugar industry in India goes entirely to the great zeal and untiring efforts of Mr. Walchand ; and what a great difference, the development of that industry

has made to the people. In 1931-32 India had only 32 sugar factories. In 1940 it had about 145 factories. The acreage under sugar cane was about 29 lacs in 1932 with a total production of less than 5 lacs of tons of sugar, whereas in 1940 the acreage rose to over 42 lacs with a total production of 13 lacs of tons of sugar employing about 7,00,000 unskilled workers. In 1930 the country paid about Rs. 20 crores outside India for imported sugar In 1940 it had hardly paid a crore. It is no mean achievement for an industry, to have saved an annual drain of Rs. 20 crores from the country and it should be a matter of no small satisfaction and pride to Mr Walchand to have been actively instrumental in bringing about these happy conditions.

India is now one of the largest sugar producing countries in the world The capital invested in the sugar industry amounts to Rs. 32 crores. India's sugar consumption, however, per head is much less than that in any other country even if gur were added on to it. The aggregate quantity of sugar and gur produced in 1939-40 has been estimated at nearly 5½ million tons, the highest so far in the history of the industry and its value has been estimated at Rs. 75 crores. Circumstances of Mr Walchand having interested himself in agriculture or his subsequent study of the sugar industry may appear unimportant indeed if they were merely the instances of a successful venture or a lucrative experiment of an individual. But this is not merely the venture or the experiment of an

individual This has proved a great asset to National economy and Mr. Walchand's fight in the Conference and his success in focussing the attention of the Conference and the Committee on sugar industry, and the dynamic drive that he brought to bear upon the whole task, cannot but be regarded as a great service rendered by him not only to the industry of sugar manufacture in India, but also to the agricultural and industrial India as a whole.

In the year 1920 Mr. Walchand had come to acquire an engineering concern, Messrs. Marsland Price & Co. Ltd. The company had been started as early as 1908. He had made a tolerable success of his new acquisition though the company was not in a very strong position when he had taken it over. Mr. Walchand now decided to turn this engineering company into a sugar manufacturing company, just as he had decided to turn Ravalgaon also into a Sugar Factory. By a special resolution of the general body of the shareholders of Messrs. Marsland Price & Co. Ltd. (February, 1933) the company amended its objects and became competent for carrying on the business of planting, growing, cultivating, producing, and raising sugar cane of all kinds, sugar beets and all other plants, trees, crops and natural products of any kind and to manufacture sugar. A learned Judge of the Bombay High Court had it moved before him in chamber, that these changes be duly authorised From an engineering and construction company to a sugar manufacturing company was a strange metamorphosis, but the share-

holders had consented to the change and the necessary judicial order was passed. The company now looked round for its farm lands.

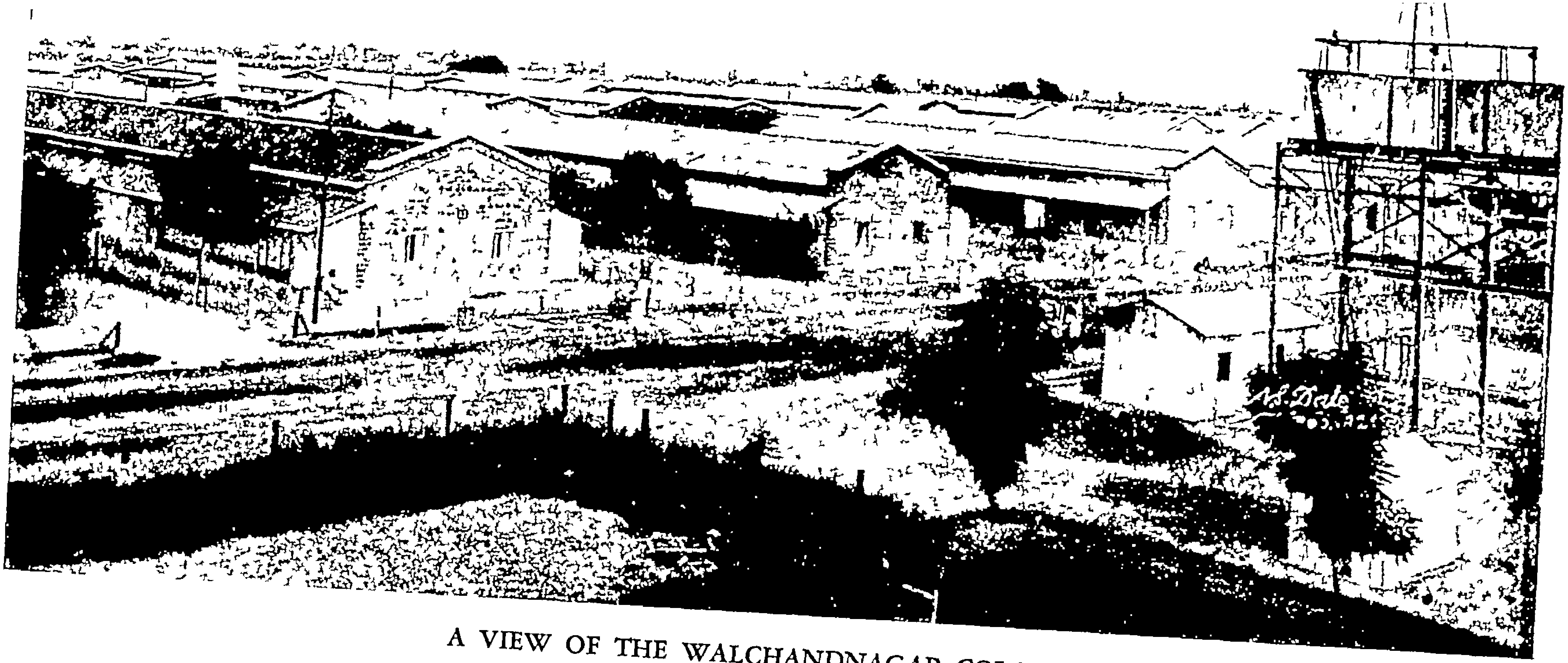
There have been strange instances in Mr Walchand's life though not so strange to those who know Mr Walchand's *flair for swift decisions and swifter actions,* when seemingly trivial incidents have led him to launch upon important enterprises. His conversation with a European friend who boarded the same train from Gwalior has been mentioned elsewhere as the precursor of the birth of the premier National Shipping Company of India. Another such apparently casual visit to a land then belonging to a friend, led to its purchase by Mr Walchand. This has now developed into a vast area of 15,000 acres of land, the famous Walchandnagar Farm of Messrs. Marsland Price & Co Ltd., and where there was an arid desert once, is now the Walchandnagar, with smiling fields planted with sugar cane and having a flourishing population of several thousands. A brief note on the Walchandnagar *Farm is published elsewhere in* this volume.

VII

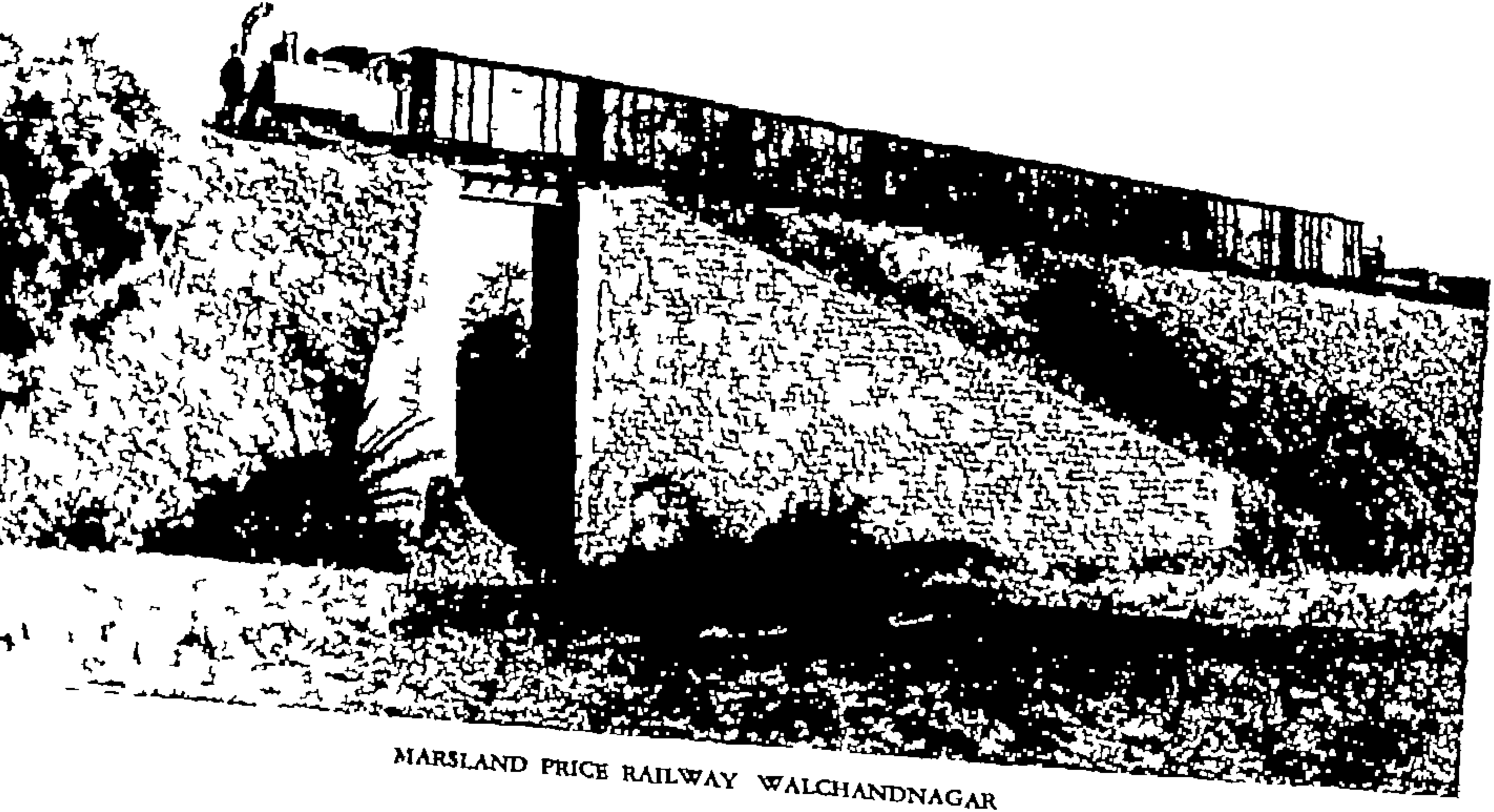
Yet another great industry with which Mr. Walchand is closely associated is that connected with transport. Mr. Walchand is deeply interested in the problems of transport by land, sea and air, and has very definite views about them. Perhaps it is not so well known outside his intimate circle that Mr. Walchand had once submitted a very original and practical scheme to the Government, offering to construct and run railways of a special type all over the country. Mr. Walchand's views on this subject, therefore, are summarised here as they are not only of general interest but also provide ample material for thought for those who have the development of the country at heart.

It is well-known that the fundamental fact behind the building programme of railways, so far, in this country has been that the railways were and are primarily built as a means of transporting raw materials and agricultural produce to the various important ports on the coast, from where these could be exported to foreign countries, to be manufactured into finished articles Mr. Walchand feels that that time has now long past when India could be

regarded only as an exporter of raw materials. The railways that were built merely to serve the ports, therefore, have already lost and are progressively losing their original importance, with the change in Indian industrial conditions. The movement of Indian manufactured goods does not naturally confine itself to the traffic to the ports, nor does it require large train loads On the other hand, the changed traffic should be criss-cross throughout the country, and usually in smaller consignments. This change is progressively evident, but Mr Walchand feels that the policy behind the building of new lines of railways has not sufficiently taken into account or kept pace with the changing conditions. Mr Walchand, therefore, prepared a scheme of various grades of railways, some of them being cheap railways, which might serve only during fair weather, avoiding big river crossings or, where necessary, avoiding even night running. He suggested that some railways may even not run during monsoon. His scheme contemplated considerable reduction in the cost of construction in comparison with the high cost of broad gauge tracks, which according to one computation costs something like Rs. 2 00 000 per mile. Mr Walchand s scheme contemplated narrow gauge light tramways or railways costing about Rs. 24 000 per mile inclusive of construction, rolling and haulage stock, rails, etc., if only goods were carried, and Rs. 30 000 per mile if passengers were carried the latter requiring conformation with the Railway Board Regulations. Mr Walchand had arrived at these figures after careful survey and estimates of prices,



A VIEW OF THE WALCHANDNAGAR COLONY



MARSLAND PRICE RAILWAY WALCHANDNAGAR

conditions, engineering cost and traffic possibilities The general scheme of such railways was submitted by Mr. Walchand to the Railway Board and he had several discussions with them on the subject.

A rather original and novel suggestion was besides made to the Railway Board in this regard. The practice in the past had been for the Government to guarantee a stipulated return on the capital invested by private companies that started the main railway systems in the country. Mr. Walchand, on the contrary, suggested that the Government should find the necessary capital for the building of the railways according to his scheme, and he undertook to construct and operate these railways and guarantee a stipulated rate of return to the Government. The very reversing of the process involved in this rather novel suggestion of Mr. Walchand was regarded with suspicion by the Government, a suspicion born of fear of anything new and against the conservative routines of decades The Government, however, submitted the proposals of Mr Walchand for the views of the various railway administrations in the country. These latter felt that it could not be possible for Mr Walchand to construct and operate railways and guarantee a return to the Government when they, that is, the existing Railway Administrations, had not been able to run their own railways for a number of years, without a guaranteed return from the Government. At the same time they admitted that they considered the estimates of the cost etc.

prepared by Mr Walchand as reasonable and that they were satisfied that those railways could be constructed at costs indicated by Mr Walchand. They, however, considered it doubtful if the operating expenses could leave the guaranteed margin of return.

The Railway Administrations, however, failed to realise the fact that according to Mr Walchand's scheme, the feeder lines would bring in additional traffic to the main lines and thus would be of material advantage to the main lines. The scheme was not agreed to however, by the Government, presumably because of the objections raised by the finance department though Mr Walchand is still convinced that if the scheme had been accepted it would have been of great benefit to the country and to all concerned.

Mr Walchand personally feels that transport by railways is not only cheaper than road transport, but is much more swadeshi in its character because the bulk of the amount spent in the construction and operation of railways is spent on Indian materials and Indian personnel. All the steel required for construction of wagons and the rails and girders is manufactured in the country and not only the wagons but even wheels, axles, etc. are and could be made in this country Amongst the more important items, it is only the locomotive that is yet to be imported from outside and it is quite likely that even locomotives would be manufactured in India after the war The fuel

used in railways, namely, coal, is also indigenous and a majority of the personnel is also Indian, and in course of time it can be completely Indianised.

In contrast to the above, the road transport by motorised units is yet in every sense a non-Indian enterprise. Every car and truck used for road transport is imported from foreign countries. Even where tyres are made in the country, it is only the location of the company that is in India, but the direction, management and control, so far, are all in non-Indian hands. The whole of the operating cost represented by the cost of fuel oils and spare parts also is a drain on the country as all the oils, lubricants and petrol are imported from outside India. Mr. Walchand, therefore, feels that the present tendency evident in some quarters of encouraging motor transport by roads is directly the result of the propaganda carried out by those vested interests who control the supply of petrol, oils, lubricants, tubes, tyres, and spares as well as the chassis, engines and bodies. The railway transport, if organised and developed on the lines suggested by Mr. Walchand, therefore, would in every way be more beneficial to the country under the present conditions. There is yet another important consideration. While the railways would pay for themselves, the road transport has so far proved but a burden on the general tax-payer for all maintenance, repairs, etc. to the road-bed. The country has to provide roads and better roads for such transport, increasing the expenses under that head with Governments

and District Local Bodies. Mr Walchand, therefore, feels that the road transport cannot be an alternative to his scheme of a network of cheap narrow gauge railways under the present conditions

If, therefore, the road transport is to prove beneficial to the country, it becomes imperative that the manufacture of motor cars and motor trucks in the country should be developed into a well established industry His attempts to start an automobile factory has so far not met with success and a resume of his efforts in this direction is given elsewhere in this volume. Even when motor vehicles are made in this country the question of fuel will still remain to be solved, and Mr Walchand feels that this can be solved by the manufacture of power liquid fuels in this country on an increasing scale. That would considerably lessen the drain on the country that is at present being suffered by the increasing use of motor transport. The railways, however, if constructed as suggested by Mr Walchand, would yet supply a more economical means of transport than road transport. Mr Walchand, it may be added, is a firm believer in State management of Railways, the advantage being greater, the more the State is responsible to the people. He has, however, always advocated the acquisition of the company managed railways by the State even as it is constituted at present, for he feels that once the main question of ownership of the railways has been settled the other important question of making the State more responsible

to the people is but a part of a larger problem.

No story of Mr. Walchand's interest in the industry of transport in this country can be complete without reference to his close association with the founding and management of the premier National Shipping Company of India, the Scindia Steam Navigation Company Limited. Mr. Walchand along with the other founders and the management of the Scindia Company have all along felt wistful at the progress made by the national shipping of other maritime countries of the world, under the beneficent aeges of their own independent governments. They feel convinced that in modern world no country can carry on its trade or even maintain its existence as an independent country, if it is without a national shipping of its own

Even with a policy of discriminating protection professed by the government of this country, the shipping industry has all along been singled out to suffer only subjection The boon of discriminating protection, halting, even hampering as it is, has been completely denied to the shipping industry Using a picturesque but a telling simile, he once said, " even if my Government were consciously or unconsciously to make the mistake of giving protection to our shipping industry, the present Constitutional Act will compel them to feed the overfed British Lion every time that they feed the famished Indian Lamb, with the result that instead of the Lamb growing side by side with the Lion, it will soon find itself completely

inside the Lion. This is the economic Swaraj which is at present destined for the Shipping Industry

Neither Mr Walchand, the head of a great constructional organisation, nor Mr Walchand, the progressive agriculturist, is so much in the public or the official eye, or so much subject to public or official criticism, as Mr Walchand, the Chairman of the Scindia Steam Navigation Company Limited, as the pioneer of aircraft manufacture and the protagonist of the automobile industry in India. This is because National Transport is an integral part of a nation s vital existence and Mr Walchand s contribution to the fight for the development of National Shipping and its allied industries is rightly regarded as a fight in a national cause. Various legends are bound to grow around an effort that partakes of a nation wide character and apologists on behalf of foreign vested interests in this country, often claim to prove that Mr Walchand and his colleagues in the world of shipping forget that the foreign shipping interests have built up the vast maritime trades of the country and, they even add with an air of injured innocence, that they are asked to make over to Indians a position which they have built up for themselves as well as in the interests of the country They even go further and blame the indefatigable champions of Indian shipping for having been responsible for the forging of the crushing fetters of commercial safeguards which a foreign government have imposed upon India Mr Walchand s reply to these critics is clear and

forthright. "Is it not just," Mr Walchand asks, "for a patriotic nation smarting under the deep sense of humiliation caused by the domination of the ruling race in all walks of life, and burning under the grave wrong of its rights being taken away from it as a result of the conquest, that it should try to regain what belonged to it and what it would and could have developed under normal conditions of human affairs?" That, according to Mr Walchand, is the test which has to be applied The Indian National Shipping Industry is trying, is struggling, to come into its own and those that fight for its development are determined to secure the right of building this national industry of India in a free and unfettered way.

Another charge levelled at Mr. Walchand and his colleagues who fight for the development of National Shipping is that they are primarily responsible for the separation of Burma from India. At a time when Burma has been lost to the British Empire this criticism may sound to be of academic or of only a historical import, but a charge like that cannot be left unanswered Mr. Walchand once publicly replied to the charge in the following words:

> "I do not know whether I am responsible for this sin or not. I may, however, tell you that when a freight war—let me add, a serious but concealed freight war—was carried on by the vested interests, I applied to Sir Bhupendra Nath Mitra, the then High Commissioner for India in London, to use his influence with Lord Inchcape and establish peace in our Home Waters Do you know, gentlemen, what reply Lord Inchcape gave on that occasion? His Lordship was pleased to

> advise Sir Bhupen, Tell your friend Walchand to come to me, see me, and sue before me for terms of peace after Burma is separated, but ask him to carry on, if he can, till that is not achieved. I shall leave it to you, Friends, to judge for yourselves as to who is responsible for separating Burma from India."

A similar spirited reply was drawn from Mr Walchand by some of his inquisitive friends who once asked him whether it was a fact that he had the audacity of asking Lord Inchcape to sell the B I to the Scindia and that when he made that offer he had hardly a sixpence in his pocket. Mr Walchand, in reply, stated that he did not remember whether he had even a farthing in his pocket at that time, but he would warn them as he had warned others, that he was in dead earnest when he said that he had and has, with him, the birthright of his country, the justice of his cause, the equity of his claim and the irresistible force of growing nationalism of a country, impatient and anxious to obtain its freedom. It is this unshakable faith both in his cause and his country s that makes him talk and act in a manner which the live and let live-wallahs often fail to appreciate, much less to emulate. "What I asked Lord Inchcape in the past, said Mr Walchand, I have asked and I shall continue to ask his successors again and again to give, and I hope that they who call me their brother in the Empire when it suits them will be well advised to concede India its claims and make India s Walchands their brethren whether inside the Empire or outside the Empire. The fight that Mr Walchand and his colleagues in the world of National Shipping have been forced to put up

in their desire to win for the National Shipping industry its legitimate position in the maritime trades of the country, is verily a brilliant chapter in the history of India's struggles to win through to political and economic freedom.

It was but recently that Mr. Walchand made the so far unsuccessful efforts to establish an automobile industry in this country. As already mentioned above the industry could not be started under the present conditions because of the persistent refusal of the Government under a variety of pretexts to regard the automobile industry as a part of the 'war effort'. Mr. Walchand's success on the other hand in launching the aircraft industry was due to the realisation by the Government of the necessity of such an industry in these times. Later circumstances described elsewhere, however, have led the Government of India to take over the full control of the aircraft industry. These facts, however, amply indicate the deep interest that Mr. Walchand has taken in industries connected with transport by land, sea and air and as will be evident from the brief notes about these industries printed elsewhere, his dynamic energy and his creative genius have been mainly responsible for whatever progress that has been made or may yet be made in these industries in the future.

VIII

The exigencies of the various industries with which Mr Walchand has been connected, combined with his innate desire to contact men and affairs, wherever possible, has been responsible for the innumerable travels by Mr Walchand both in India and abroad. Mr Walchand is perhaps one of the most extensively travelled persons in the country He has travelled in India, Burma and Ceylon , he has travelled on the Continent of Europe, in the United States and also in Japan. He has travelled by various means available on land, sea and air He has done extensive flying in Europe and in America. He has travelled on high seas in ships no better than coasting tramps and he has travelled by the famous Normandie and by the Queen Mary On land he has travelled by disreputable little carts and by coughing little narrow gauge railways, as well as by some of the world famous crack trains abroad. Mr Walchand has also travelled considerable distances by motor cars. In fact, his first long distance road travel in 1921 was by motor cars, from Calcutta to Bombay, with detours to various places of interest on the way Mr Walchand has travelled right up to the Polar regions in the north and has seen the midnight

sun. Most of his travelling has been done in connection with his various business activities though he has seldom missed seeing important sights of the places through which he may be happening to pass. During the course of these travels Mr. Walchand had opportunities of meeting a great number of important and interesting personages apart from those who hold sway in the world of business to which Mr Walchand himself belongs. He, thus, met the President of the Austrian Republic in Vienna, as also Dr. Dolfuss, and the President of the French Republic along with the various members of his Cabinet. Mr. Walchand has also met Field Marshal Goering with whom he had dinner and he was invited by Hitler to tea along with other prominent members of the International Chamber of Commerce. When Mr. Walchand met the King of Denmark, he suggested to him a visit to India, which His Majesty said he could not undertake on account of his age and health.

Mr. Walchand naturally has often to put up with hardships and discomfort during his constant travelling, but he does so with a good cheer, rare even amongst well-seasoned travellers The Talikota journey on a jaggery cart has already been described earlier in this story. That was in the early days of his career Another such journey of those days has become notable for quite a different kind of adventure. It was when he was interested in manganese mining that Mr. Walchand had to undertake a journey from Goa to Karwar in a bullock cart, called in those parts,

a '*dammi*' Mr *Walchand left Goa in the afternoon with a* companion and by the time it was dusk, they had entered one of those thick forests for which that part of the country is so famous. The bullocks were provided with bells that kept up a continuous jingle which could hardly allow the passengers to sleep The cart driver replied to Mr. Walchand's protest that these bells were necessary while travelling through forests like the one through which they were then passing, because the jingle kept the prowlers of the jungle away from the road. As the forest grew denser and more full of unseen terrors, the cartman regaled his passengers with various stories of narrow providential escapes of travellers from tigers and other beasts of prey It was getting now near midnight when with a bump and a jolt the cart collapsed on the road.

A wheel had come off and there was no chance of *repairing the damage for a long time.* The cartman then cheerfully informed his passengers that it was almost at that very spot, and only a week before, that he had met a *tigress with her cubs, fortunately without any dire results.* Such conversation, with a background of the still, dense, dark forest, proved anything but exhilarating and Mr Walchand's companion took a *solemn vow there and* then never again to travel in this manner, if he escaped harm that dreadful night. Another cart now appeared in the offing but refused to stop or to take passengers and the night had to be passed near their broken cart, as best as they could Apart from this vigil in the shadow of the

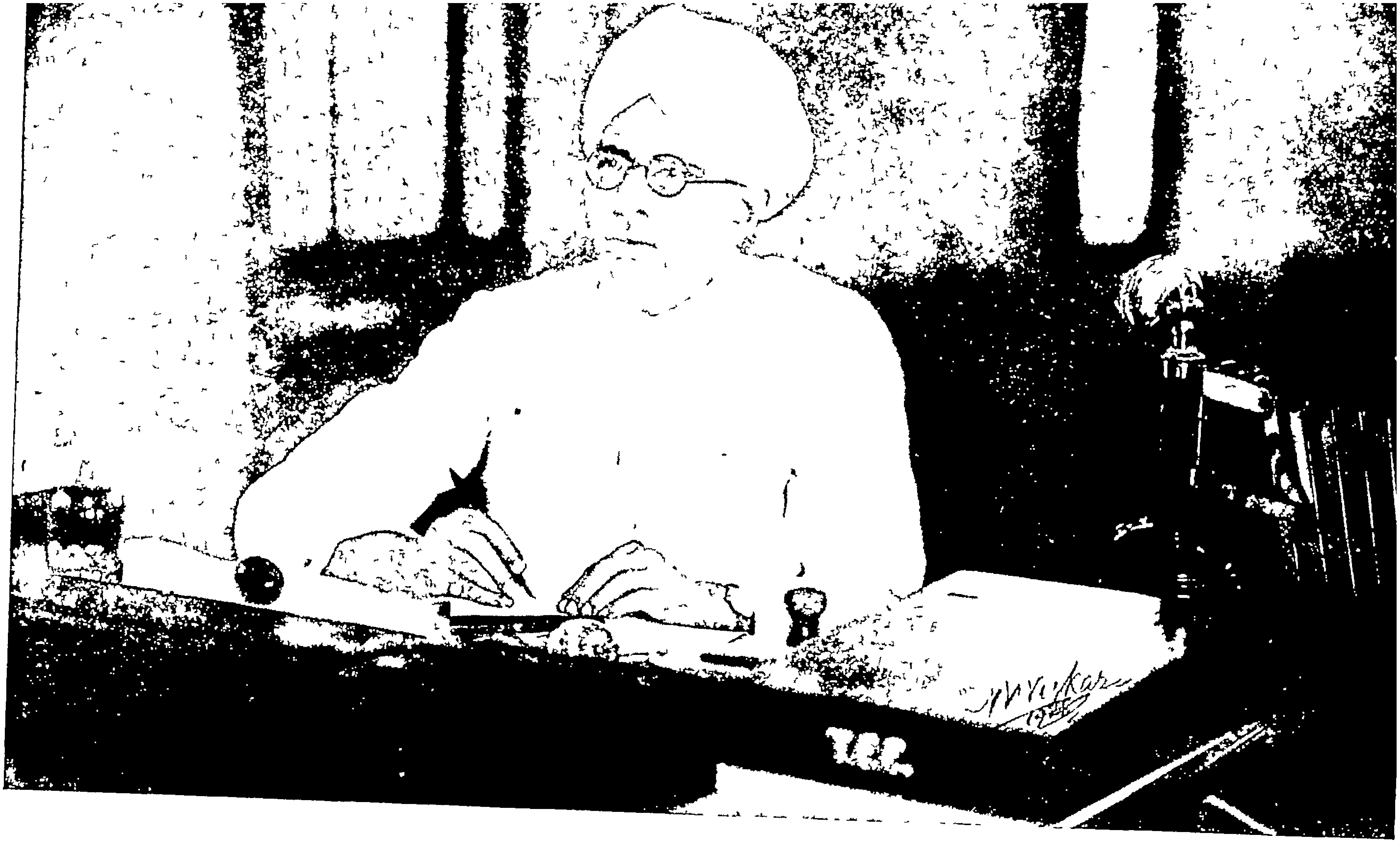
forest the '*damni*' as a vehicle was so uncomfortable that Mr. Walchand completed the journey, passing the whole of the next day on foot.

Very recently Mr. Walchand was at Nainital and wanted to pay a short visit to Almora. His host, a high government official, had made all arrangements for that visit when a telephonic trunk call necessitated Mr. Walchand's immediate departure from Nainital for Simla. There was no time to take any baggage whatsoever and Mr Walchand left without servants and without baggage and without even as much as a bedding. Mr Walchand's host, however, 'phoned some of his friends at Bareilly to meet him at the railway station with some sort of bedding The train was just steaming in when Mr. Walchand reached the station, and he boarded it with the improvised bedding so thoughtfully provided for him. At Moradabad he purchased a cake of soap and a '*lotta*' and a kindly fellow-traveller supplied him with two towels. He bought a *dhoti* for himself and a *saree* for his wife at Solan between Kalka and Simla, but reached Simla in time to attend the Conference that had been arranged for him. That hurry and that rush were an experience even for Mr. Walchand, but like various other similar experiences he enjoys to relate this story in his characteristic lighter vein.

IX

Mr Walchand has never restricted his interest to the high brows of the world only, but wherever he has been, he has seldom failed to make contacts with people in all walks of life and in all stations of society that he has come across. During the days that Mr Walchand used to find time to visit frequently the various works carried out by his extensive organisations all over the country, he had always a smile and a cheering remark for everyone that came in contact with him from the highest to the lowest, for he has that rare flair for human touch wherever he is, and in whatever company he is.

To his staff Mr Walchand is known by the fond title of Shethji A great number of his lieutenants can give repeated instances where a word of cheer from Shethji has put new heart into them and almost everyone of them can give examples where the dejection of their failures has been turned into a new hope by an encouraging word from Mr Walchand, for he has always believed in giving the widest possible opportunities to his lieutenants for showing initiative even though their ventures may not have proved remunerative at all times. In a vast organisation like the



" SHETHJI " IN OFFICE

one controlled by Mr. Walchand, success in every detail of every work cannot be uniform, but the trust, that his lieutenants feel, Shethji reposes in them, has always been an inspiration to them enabling them to meet every situation squarely in the face. There is a well founded belief amongst the vast number of his workers that Mr. Walchand seldom forgets a face or a fact. With the expansion of his various organisations, now including thousands of men, this may not be the case to-day, but all those who have intimate contacts with him even to-day feel the inspiration of a personal touch that even a few moments of conversation with Shethji never fails to impart

In all the exacting activities of an extremely busy career Mr. Walchand has found time to take genuine intellectual interest and pleasure in literary activities, mostly connected with Marathi literature, especially with the well developed drama in that literature. Even as a college student Mr. Walchand was a regular reader and admirer of the writings of men like the late Prof. Shivram Mahadev Paranjpe, a master of satire He has followed the vicissitudes of Marathi literature since those early days and there has hardly been any publication of interest in that language that Mr. Walchand has not read or any play of note that Mr. Walchand has not seen, sometimes over and over again. Even now hardly any event of note in the literary world of Maharashtra escapes his notice and he follows the new trends in that literature with consider-

able interest. Mr Walchand is a confirmed theatre-goer and whenever he has a spare afternoon, in India or abroad, he hardly fails to visit the best theatres of the place or the best pictures of the season. No wonder then, that he visited Hollywood during his travels in America, as he had visited the famous UFA Studios when in Germany

This then is Mr Walchand—now sixty years young, a man of wide human interests with considerable experience of men and affairs, an industrialist with a daring, vision and swift judgment, but, par excellence, a man of closewelded action. He is a creative genius with a flair for constructive efforts in all directions of nation building industrial activities, and with a keen enjoyment of a fight, if a fight becomes inevitable.

When Mr Walchand chose his career as a constructional contractor under circumstances related earlier in this narration, it was done in a deliberate businesslike manner without any spirit of youthful bravado and, perhaps, without any day-dreams of a particularly ambitious goal for the future. He just applied his best energies to every task that was immediately in hand and succeeded in building up an organisation, which is second to none in this country, and can easily rank with the best of such organisations elsewhere in the world No doubt, the organisations grew gradually, as one work after another came into his hands and was successfully completed, and it may be said that the various qualities that he brought to bear upon his tasks grew apace simultaneously with them,

but there is no doubt that these qualities were well evident from the very start of his career, and from the very first work that he undertook, and have been entirely responsible for the success that has attended most of his enterprises. The desire to strike out a new line for himself instead of fitting in with the conventional business of his family, in itself, perhaps, was indicative as a promise of the heights to which he attained with the passing of time, for these qualities were inherent in that desire. From the very early years Mr. Walchand has been and has always remained a man of action.

An essential characteristic of Mr. Walchand is his belief in the inherent dignity of work. No work whatsoever is too small for him, nor is any task too big for him, once he has determined to see it through Unlike many of his contemporaries in the top ranks of the world of business he had to carve out his own career. Once he has decided to work on his own lines there is, perhaps, never a moment when Mr. Walchand does not know his own mind He clearly knows every time as to what he is about and concentrates all his abilities on the task in hand, so that he can and does achieve it against all odds, and no task is ever considered too small or too insignificant for his personal effort and his personal attention even to the last detail His love of independence in all walks of life has been almost a passion with him, and if that is gained he never regards any work *infra dig* provided it can be done efficiently and successfully.

It is a far cry from the early beginnings of the Barsi Light Railway contracts to the great constructional organisations that Mr Walchand is now controlling Mr. Walchand by qualification is not an engineer, nor an architect, yet with the sheer force of his drive and his ability to make the best use of the men and materials at his command, he is at the head of a bewilderingly complex organisation which without doubt, is the biggest of its kind in the country Of course, he employs trained specialists for the various large and small projects that he undertakes and utilises their skill and their abilities to the best. This has been true throughout his career, but it may also be added, that he has been more successful than the others, because behind the knowledge and the ability of his experts and behind the mobilisation of men and resources of his organisations, is the dynamic rhythm of his personality with which all his undertakings begin to pulsate, the moment he directs his attention to them. He can well say with the famous Greek physicist Archimedes Give me where to stand, and I will move the earth, * and along with this driving force of his is his personal human touch that perhaps, is by far his most important contribution to the successes achieved by his organisations, the touch that Mr Walchand never fails to give in all his dealings with his men , and it is no exaggeration to say that everyone of his lieutenants has been the more efficient, and capable of greater achievements because of this human touch of their

* "Dos moi pou sto kai ten gen kineso"

'Shethji'. The outside world knows about his dynamic force only, but those that work with him and for him are more than grateful for this personal touch, which often makes all the difference to them, for they are always happy to realise that they are not working only for a great and efficient machine, but for the very human MAN behind that machine, and for the cause that he stands for.

But Mr. Walchand can drive and drive hard indeed. The New York Times, the other day, in order to show how even the normally 'hustling' American 'extra hustles' during the war, gave extracts from the diary of the President of a Middle West American Aeroplane factory who was asked by the government to set up a new glider plant for the U.S.A. Army The diary reads something as under : SUNDAY : Got verbal contract in Washington to build gliders ; MONDAY : Made inspection flight by plane over five Mid Western States to pick sites , TUESDAY : Picked site, closed deal by long distance telephone to California ; paid extra to destroy crops on the site ; contracted with railway to extend spur ; and with city to extend sewage and water ; WEDNESDAY : Broke ground for factory , contracted with builders and electricians , THURSDAY · Rented buildings in the city for offices ; FRIDAY : Opened school in the city for welders ; SATURDAY : Opened personnel department and began hiring labour for the factory India is not America ; but if the Government of India were a National Government like the Government of U.S A , Mr. Walchand's diary

would read as inspiring as the above and the land, air and seas of India would be crowded with his autos, planes and ships, for Mr Walchand is as quick in his decisions and as swift in his actions as the President of that American organisation. Several instances can be quoted to illustrate the swiftness with which he and his organisations can act and a few of these have been mentioned during this narration. A casual conversation in a train and Mr Walchand evolves a scheme for a shipping company He just has a few idle hours on his hand at a wayside station and employs them in running over an arid waste that since becomes the thriving Walchandnagar. He reads about and meets an American aircraft builder in a China bound seaplane and the result is the aircraft industry in India *These certainly are not instances of an impulsive* temperament, but of swift constructive thinking

Once he takes up a scheme, Mr Walchand pursues it to the last, meeting every difficulty in prospect and solving it as he progresses towards the concrete realisation of the goal, never losing his sense of proportion even if the difficulties in his way are annoying, nay, exasperating. His keen sense of humour, perhaps, has often been the saving grace in this. It can be stated, as an illustration, that the first reaction of Mr Walchand, when such a responsible official of the Government of India as the Commerce Member, coolly informed him that he was not in a position to discuss certain important matters with him because he, the Hon'ble the Commerce Member had forgotten all

about it in spite of his solemn promise given the previous month in Bombay to give his serious consideration to these, was perhaps of rude surprise but certainly not unmixed with considerable amusement, the more so as in his dealings with the high authorities in this country, Mr. Walchand has been inured to the fact that the manufacture of Files and Red Tapes is the only heavy industry in the country receiving the fullest support of the government, even at the exclusion of such other sundry industries like shipbuilding, automobiles, aircraft, etc, with which Mr. Walchand is so persistently preoccupied These, the sense of humour and the sense of proportion, have, no doubt, helped Mr. Walchand to maintain a resolute perseverance through many a back-breaking fight and against innumerable petty vexations, annoyances, that are the unfortunate lot of every industrialist in the country.

There is, however, a considerable number of small and big officials of various governments, who have often expressed appreciation of, even admiration for Mr Walchand's genius and perseverance, his way of approach to a problem and his ability for taking infinite pains to gain his points. In the early days of the Ravalgaon Factory, there was a district officer, who had to deal officially with Mr Walchand, but later, after retirement, wrote in the following feeling manner: "Once when I visited Ravalgaon with the collector of Nasik, we were met at the gate by an Excise Inspector with a fine squad of armed police The pay for the squad must be

considerable and it was agitating for barracks which it was actually suggested that Mr. Walchand ought to build. If Mr. Walchand sometimes were to give his workmen a pound of sugar to take home, the Lord only can save him from being gaoled. I wonder if he ever gives the excise men a pound or two This retired British civil servant adds, Can any system be thought of more discrediting to the industry or less likely to create confidence between the government and the people ? The same official mentions the fact that Mr Walchand was once threatened with prosecution under the Railway Act because he laid down some tramway to facilitate the bringing of cane from the fields to the factory This may be hard to believe, but all the same it is true in this benighted country with a foreign government !

Many a high official of the Government of India have gone out of their way to assist Mr Walchand in his various nation building efforts, but in most cases, after they had retired from active service. Even those that have opposed his attempts to build up national industries of the country have seldom failed to appreciate the great qualities that have made Mr Walchand what he is. A highly placed Government of India official, for instance, who in a different capacity, had a great deal to do otherwise with the events that led to the acquisition of the Managing Agency of the Bombay Steam Navigation Company by the Scindias, later told a third party that he never had any doubt at any time that Mr Walchand would ultimately

succeed, because, he added, "Mr Walchand is unique". No wonder, Mr. Walchand can count among his friends many of those, who, when in office, had always opposed his various proposals, but had nevertheless admired him for all that.

Mr. Walchand, as said before, is only sixty years young and has considerable work ahead of him, for, the shipbuilding industry has yet to be well-established in India; his network of railways has yet to criss-cross the country; he has yet to manufacture Indian automobiles* and Indian power fuel so that the country can be reasonably self-sufficient in these matters as every country has a right to be.

Given suitable opportunities, there is no doubt that India will have shipbuilding and her automobiles, her railways and her airplanes, if Mr. Walchand has his way, and if the Government becomes really responsible to the

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* Incidentally it may be mentioned that the first "Rolls" purchased by Mr Walchand, the dreamer of Indian made 'Super Normandies', the Indian made 'Autos de Luxe', and the builder of Indian airplanes, was a country pony, capital cost rupees thirty-five and a gentle reprimand from his family for such wasteful investments The pony, it is said, was so stunted in build that the young Mr Walchand, with his tall stature, could almost contact the ground even though mounted It was called "Vamanya", a Marathi shortening of "Vamana" the Dwarf. This was in the early days of his career, but it would be in fitness of things if one of the Baby types of cars when manufactured by Mr Walchand is named after this now historical pony and called the "Vamanya Seven"

people. These are not yet there because of the circum stances which are responsible for the various set backs to the industrial life of the country, the set backs that Mr Walchand has practically spent his lifetime in fighting against.

It is not easy to assess to a nicety the value of the contribution that a man may make to his contemporary affairs and to the times in which he lives. The clear perspective necessary for such appraisement is possible only after a long lapse of time. Mr Walchand besides is still busy with his vital nation building tasks. There is no doubt, however, that Mr Walchand has already made a considerable and lasting contribution to the progress and development of industrial India. Mr Walchand in many respects is unique in his own way and India could not but have been richer and nearer to her goal of economic freedom if there were more Walchands in the country

CONSTRUCTION COMPANIES

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PHATAK & WALCHAND, LIMITED - - -

THE PREMIER CONSTRUCTION Co, Ltd.

THE HINDUSTAN CONSTRUCTION Co., Ltd.

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PHATAK AND WALCHAND LIMITED

Mr. Walchand entered upon his career in the world of business almost immediately after leaving his studies. As fully described elsewhere, his father, and before him his grandfather were reputed merchants dealing in yarn, cloth and general financing, his father having won the position, in Sholapur, of an honoured and respected businessman in his own line. Young Mr. Walchand, however, looked round for something less traditional and more exciting than the ancestral vocation, seeking a career that would allow him opportunities for a greater expression of his restless individuality. The career was chosen when he was approached for finance, about 1904, by Mr. L B Phatak, a building contractor. Mr. Phatak had undertaken to build an extension, of about seven miles, on the Barsi Light Railway and was seeking to raise capital for that work He, therefore, met Mr Walchand, who decided to join in the venture.

Mr Walchand had no experience of construction work, except having financed, in a small way, a couple of petty contracts ere this. He, however, soon found the new profession attractive, both from the view-point of profit as

well as from the view point of affording opportunities for a kind of work that was quite different from the steadily prosperous, but entirely routine business of buying and selling yarn and cloth or from a conventional business like that of a money lending shroff He, therefore, joined fortunes with Mr Phatak for good, as constructional contractor and soon became the dominant partner of the firm. The first contract was a definite success. After this nothing would or could stop Mr. Walchand from going ahead with this work after his own heart,—and he has never since looked back.

Messrs. Phatak and Walchand rapidly became prosperous contractors undertaking all kinds and sizes of constructional activities They constructed the Harbour Branch Line at Bombay They successfully carried out the quadruplication of the main lines of the G I. P Railway from Currey Road, first upto Thana and later upto Kalyan. They completed the Latur extension of the Barsi Light Railway, built the Murtizapur/Ellichpur Line and constructed the Willingdon Bridge over the Bhima River Thus the activities of the firm went on expanding from strength to strength in rapid ever increasing strides

After about eleven years of partnership business, the firm was converted into a limited liability company with a nominal capital of Rs. 3,55,000, divided into 355 ordinary shares. This was done in 1915 The world war was hardly a year old and opportunities were growing apace everywhere.

The company immediately bought over the Napier foundery at Bombay and undertook labour contract for the G. I. P. Mohapani colliery in the Central Provinces. They also secured a big labour camp contract at Dadar. Their hands were full with large undertakings which were proving satisfactorily remunerative and, in the very third year of its inception, the company declared a dividend of 30%. Work increased to record proportions and had to be completed in record time. While, however, the dynamic energy of Mr. Walchand was rapidly expanding the activities of the company, the commitments of the company were also proportionately increasing and required greater supervision and more hectic efforts to cope with the work. Mr. Phatak, who, at this time, was keeping indifferent health, wanted to retire, and did retire in 1917, much against the wishes of his partner The company, however, carried on its activities, if anything, more vigorously. The jobs done in two years, viz. 1917 and 1918, alone considerably improved the financial position of the company.

In the meantime the world war was creating rich opportunities for contracts and Messrs. Phatak & Walchand Ltd. undertook large military and other works in the Presidency, valued at over a crore of rupees, and executed them with great credit. The signing of the Peace was followed by the post-war boom and the constructional activities became almost hectic. Greater accommodation and better houses in modern colonies became an insistent necessity almost everywhere Better transport facilities,

better roads, and many more roads were demanded and built. Property and land values soared sky high. Messrs. Phatak & Walchand Ltd. were in it, wherever they could, and the reputation of the firm as successful and reliable contractors, who could do a record job in a record time, increased with the successful completion of each arduous task.

The year 1920 saw the inception of great engineering activities in Bombay, notably of the Development Department. As a consequence, the year 1920 also saw the inception of the Tata Construction Company Limited with which the fortunes of Mr. Walchand were destined to be so closely bound up

Mr Walchand's association with the new concern considerably slowed down the tempo of Messrs. Phatak & Walchand Ltd who assigned almost all their undertakings, except the Mohapani colliery work, to the newly formed Tata Construction Co Ltd The colliery, however, was closed by the G I P after about seven years. The company, however, continued to function until February, 1937, when it was taken into voluntary liquidation

Messrs. Phatak & Walchand Ltd. were the first amongst the Indian constructional contractors to employ qualified graduate engineers on their staff Their successors, namely, The Tata Construction Co Ltd., The Hindustan Construction Co Ltd and other construction

companies, naturally continue this policy and employ a great number of graduate engineers on their staff, several of whom being graduates of various foreign universities.

The company was an enormous financial success and prepared the foundation on which later were built the rebust structures of its various gigantic successors, at present controlled by Mr Walchand. On a small capital of Rs 3,55,000 of which only Rs. 2,55,000 were paid up, the company, during its existence of twenty-two years, distributed Rs 8,34,955 as dividend, yielding an average of over 11¼ per cent on its capital, that is about 15½ per cent on the cash capital Messrs Phatak & Walchand Ltd. was a small beginning, but like many other small beginnings, proved the precursor of greater enterprises into the field of constructional activities of Mr. Walchand, the histories of which will be found elsewhere in this volume.

PHATAK AND WALCHAND LTD

Statement Showing Dividends Paid

Year	Rate per cent per annum	Amount Rs.	Dividend received from the Liquidator Rs.
1916	6% on 278 shares	16,680	
1917	6% on 355 shares	21,300	
1918	30	1,06,500	
1919	15	53,250	
1920	15	53,250	
1921	10	35,500	
1922	20	71,000	
1923	20	71,000	
1924	20	71,000	
1925	10	35,500	
1926	7½	26,625	
1927	7½	26,625	
1928	10	35,500	
1929	7½	26,625	
1930	7½	26,625	
1931	7½	26,625	
1932	7½	26,625	
1933	7½	26,625	
1934	10	35,500	
1935	6	21,300	
1936	6	21,300	
Period of Liquidation			15,54 467
	236½%	8,34,955	15,54 467
On Rs. 3,55,000	11½%		over 4½ times on Rs. 3,55,000 and 6 times over Rs. 2,55,000
On Rs. 2,55,000	15½%		

THE PREMIER (FORMERLY THE TATA) CONSTRUCTION COMPANY LIMITED

The post-war boom period of the early twenties witnessed a crop of new companies, quite a good few having been started by the famous House of Tatas also. Amongst half a dozen companies started by them during that period The Tata (now The Premier) Construction Co. Ltd. fought through the aftermath that followed and succeeded in maintaining a steady record of progress especially after it was reduced and reconstructed, about 1925, under the aegis of Mr. Walchand Hirachand.

The company was registered in the year 1920, with a nominal capital of Rs 2 crores, the *raison d'etre* presumably being the enormous constructional activities prevalent then. The then Governor of Bombay, it would appear, had vaguely suggested the founding of a great engineering and contracting company to further his schemes of developing Bombay, which included the Back Bay Reclamation scheme also. It was also felt that there was no Indian Engineering and Construction company existing then that could handle jobs of the magnitude required The Tatas, therefore, decided to be pioneers in

this line also Probably they might have been also interested in the later development of the Reclaimed Lands. The Tata Construction Co Ltd. was founded in July 1920 and Mr Walchand was invited to join the Board.

Mr Walchand had already made a name as a very successful constructional contractor, at the head of his very well known firm of Messrs. Phatak & Walchand Ltd., a concern which then for some time had been practically his own. Joining the Tatas, therefore, meant joining an outside firm as a Director only, on an unattractive remuneration. Mr Walchand, however, saw the opportunities of wider activities and greater undertakings with the larger resources of the new company and accepting the invitation of the Tatas, joined their Board

Within the first four years of its formation, the company had to reconstruct and write off its capital, not due to losses on contracts, but on account of losses incurred in other activities for which Mr Walchand was not directly responsible.

The history of the company thereafter is, however, a history of continued progress and increasing prosperity, and of a development on entirely unconventional lines Within a short period of nine years the company began to direct several subsidiary companies engaged in activities varying from sugar farming and manufacture to the making of Hume pipes. This transformation was, no

doubt, not sudden, neither was it unexpected. It was the logical culmination of a long-range policy carefully laid down and successfully carried out by Mr Walchand

In its very first year Mr. Walchand secured for the company a controlling interest in the Marsland Price & Co Ltd., a firm of Constructional Engineers and Contractors In the same year he secured patent rights for the manufacture of concrete pipes by the Hume Process, and floated a subsidiary company called The Bombay Hume Pipe Co. Ltd The company also secured the Managing Agency of The Hume Pipe and Concrete Construction (India) Ltd. The Bombay Hume Pipe Co. Ltd. was subsequently taken into liquidation, but the Hume Pipe and Concrete Construction (India) Ltd proved to be a failure for reasons described elsewhere, and involved the company into financial losses. The paid up share capital of the company was reduced from Rs 65,35,100 to Rs. 19,60,530 After its reconstruction in 1925, the company had no occasion to look back.

The Tata Construction Company had been responsible for various major constructional projects. It carried out the Tansa Completion Work Schemes I, II and III estimated at Rs 89,00,000, built the Wadia Woollen Mills—Rs 15,00,000, contracted to do surfacing of the Sewree Mazagaon Reclamation—Rs 27,00,000, carried out the Bhore Ghat Realignment and Tunnelling project—Rs. 41,00,000, and constructed various buildings, mills,

Since 1930, the Tata, now the Premier Construction Co. Ltd. has practically been a holding company and has controlling interest in the following concerns :

(1) The Hindustan Construction Co. Ltd.
(2) The Building Construction Co. Ltd.
(3) The All-India Construction Co. Ltd.
(4) The Indian Hume Pipe Co. Ltd.
(5) Marsland Price & Co. Ltd.
(6) Cooper Engineering Ltd
(7) The Acme Manufacturing Co. Ltd.

The current history of the company, therefore, is the histories of the various subsidiary companies whose activities and progress are described elsewhere.

The foundation and progress of The Tata, now The Premier Construction Co. Ltd. and its various subsidiaries has brought about a revolution in the position and status of Indian constructional and engineering business in this country. The various government and public bodies in the country had never before entrusted the construction of any great highly technical engineering project to an Indian firm. Indian firms, in fact, seldom used to compete for highly technical constructional projects, not being sure of encouragement, or rather, being sure otherwise of being looked over in favour of foreign competitors, and so they had seldom maintained the specialised personnel or the specialised machinery for the carrying out of such projects. With the advent into the field, however, of the construction companies of Mr. Walchand, these conditions were radically and successfully changed

Mr. Walchand's companies have carried out works which for their size and their variety, as well as for the rapidity and efficiency of completion, can be described as unique, each in its own way Each time a new venture was launched the company brought to bear upon it all the resources that technical skill and engineering science could supply, and the project was completed to the satisfaction of the parties concerned. This has been the policy of Mr Walchand from the very beginning and is increasingly and effectively pursued till date. Most modern machinery is imported and employed and an efficient technical staff of specialists is put upon each job undertaken. No cost is counted and, therefore, with the completion of each great project one more great engineering feat is added to the credit of Indian skill and Indian organisation. The revolution in the status and position of the Indian constructional engineering and contracting business and the consequent recognition of the merits and abilities of Indians to handle any project whatsoever with great skill and efficiency, is the most important achievement of the various organisations controlled by Mr Walchand.

A list of the major works completed by The Tata Construction Co. Ltd. between the years 1920 and 1928 is given here. The major works carried out by the various subsidiaries are mentioned in their respective places in this volume.

THE PREMIER (formerly the Tata) CONSTRUCTION CO. LTD.

List of Major Works Carried Out

		Rs
1.	Police Lines Work	1,30,000
2.	A Bungalow	1,50,000
3.	Government House Work	3,50,000
4.	A Woollen Mill	15,00,000
5.	[illegible] Works	4,00,000
6.	Extension to a Mill Blow Room	1,61,972
7.	Alteration to Taj Building	1,60,000
8.	Repairing Tansa-[illegible] Road	3,28,250
9.	A Telephone Exchange Building	4,21,250
10.	Surfacing a Reclamation	27,00,000
11.	Widening Bank of a Pipe Line	6,75,000
12.	New Quarters for a Port Trust	5,71,975
13.	Sleeping Accommodation at *** Pier	1,11,240
14.	R. D. Tata's Bungalow	1,00,000
15.	*** Pier Work	3,75,000
16.	Sir Dinshaw Petit's Work	3,82,000
17.	Tata Bank Building (our portion)	1,00,000
18.	Showroom and Garage for Bombay Motor and Cycle Agency	2,00,000
19.	Tansa schemes I, II, III	69,00,000
20.	Tata Office	5,00,000
21.	A Spinning Mill	10,50,000
22.	A Mill	2,25,000
23.	Petit Building	3,85,000
24.	A Municipality Sewer Work	7,75,000
25.	Sewree Filling in Work	2,85,000
26.	A Sewerage Work	2,75,000
27.	An Extension Tunnel Work	2,50,000
28.	New Main Conduit, *** Municipality	15,00,000
29.	A Mill	7,00,000
30.	A Match Factory	3,20,000

THE PREMIER (formerly the Tata) CONSTRUCTION CO. LTD

List of Major Works Carried Out—(Continued)

		Rs.
31.	Staff Quarters	8,10,000
32.	Pochkhanawalla Bungalow, Worli	2,50,000
33	Padli Works	2,50,000
34.	Extension to a Mill	2,00,000
35	A Railway Construction Work	20,00,000
36	Esmail College, Andheri	4,40,000
37	New Depot Head Office for the Ceylon Commissioner	2,00,000
38	Remodelling a station for the G I. P	5,00,000
39	Bhore Ghat Realignment	41,00,000
40	A Bridge	4,90,000
41.	A Masonry Bridge	6,50,000
	Total Rs.	3,43,77,687

Mr S. C. BANERJEE
General Manager The Hindustan Construction Co. Ltd.

THE HINDUSTAN CONSTRUCTION COMPANY LIMITED

The Hindustan Construction Company Limited was floated in 1926 as a subsidiary of The Tata (now the Premier) Construction Co. Ltd. The initial paid up capital was only Rs. 1,00,000. After fifteen years i.e., in 1941 the paid up capital is Rs. 37,00,000. The progress of the company has in many ways been phenomenal. The turnover of business in the year 1927 was Rs. 16,60,236, in 1929 it was Rs. 40,58,848, in 1938 it was Rs 78,70,122. In the year 1941 the turnover was Rs. 1,57,64,721, a steep curve of expansion indeed

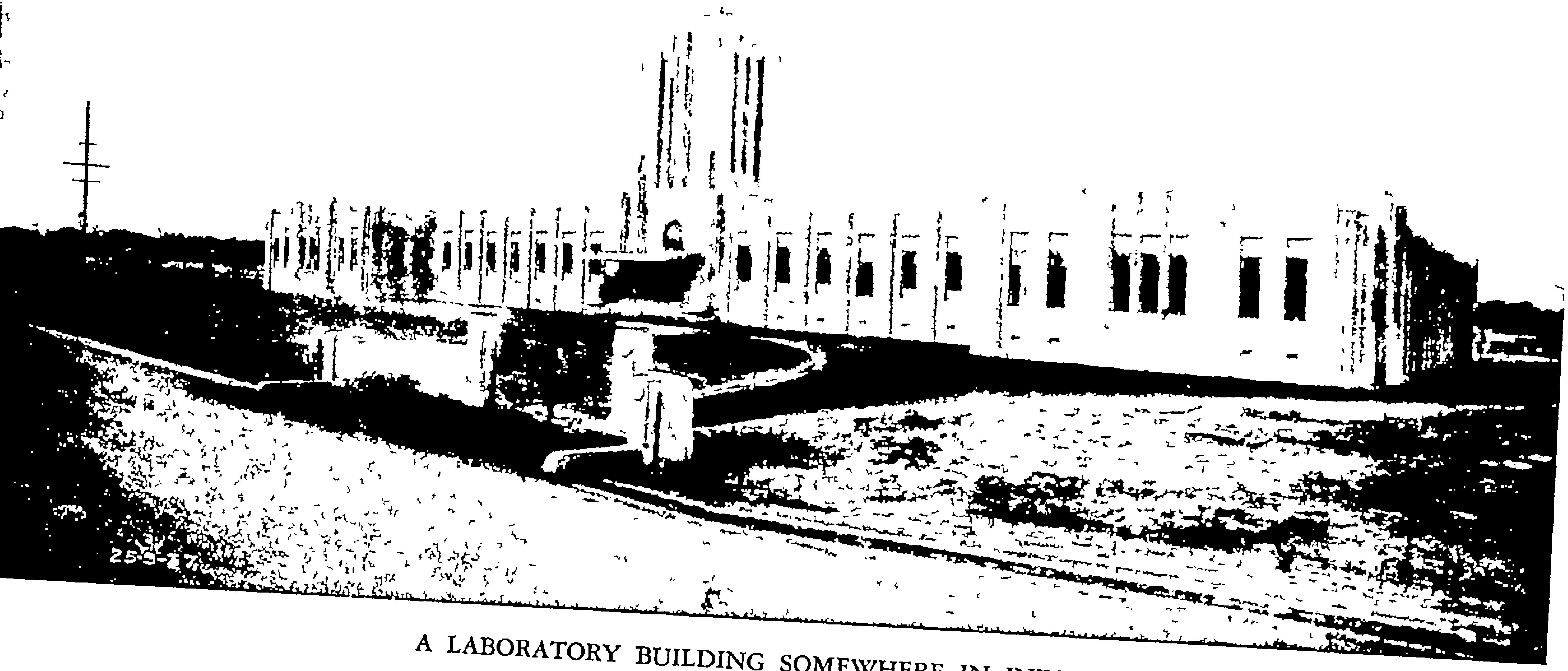
The salaries and wages bill of the company in the year 1930 amounted to Rs. 2,74,981, in 1936 it was Rs. 7,69,970, it was almost doubled the next year and in 1941 it amounted to Rs. 30,94,536

The company had four branches when it started in 1926 Now the company has thirty-three branches spread all over India, till recently in Burma, and in Ceylon

Some of the biggest bridges, dams, tunnels and buildings in India, Burma and Ceylon have been

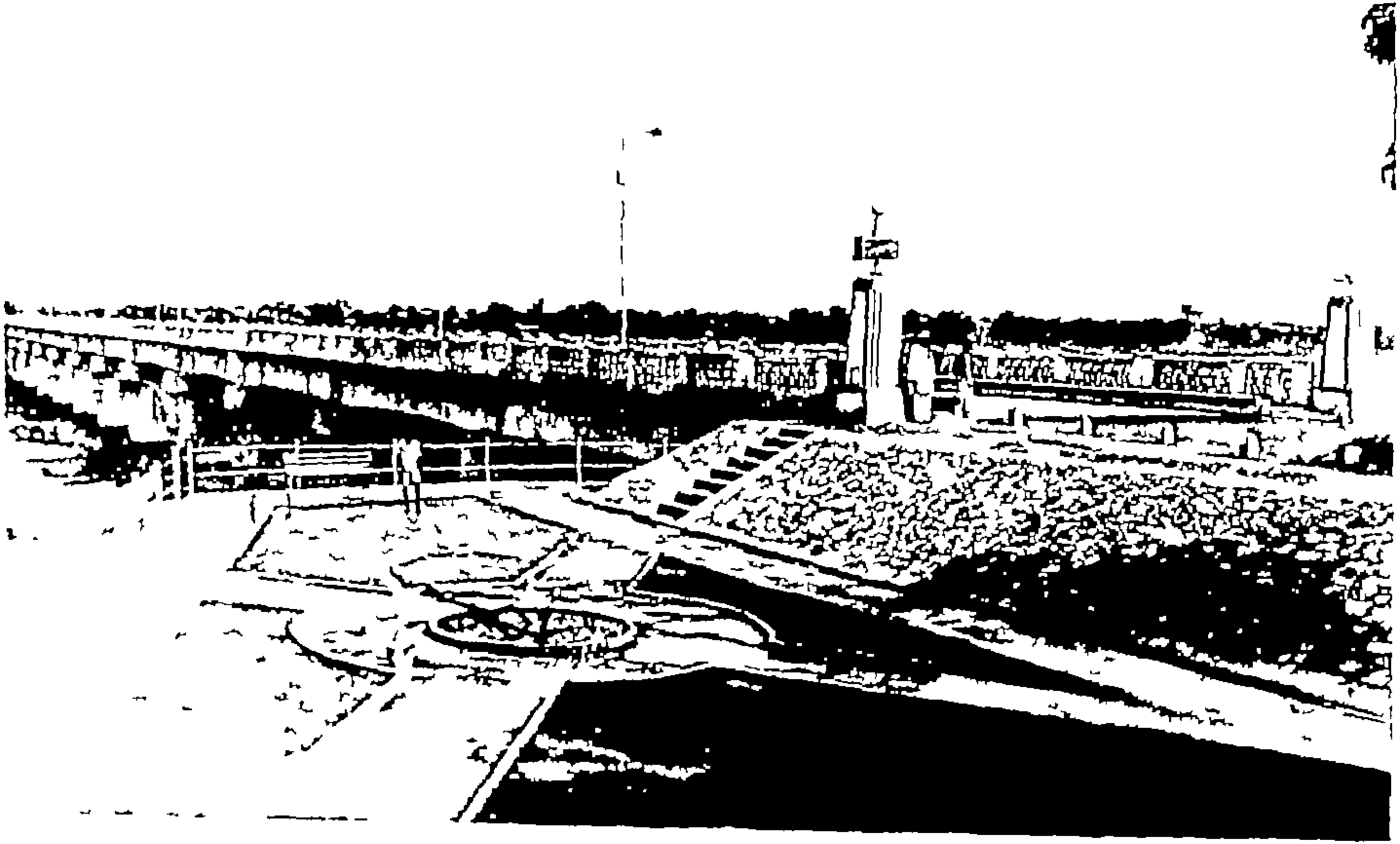
constructed by the company during its progressive career of fifteen years. To mention only a few, the firm has built the famous Sagaing Bridge on the Irrawaddy River (Rs. 25,55,000), and the two equally famous bridges over the turbulent Nermada, costing Rs. 39,00,000 The firm has also built six water piers for the Bhairab Bazar Bridge over the Megna (Rs. 11,00,000), and several other bridges all over the country, estimated at about a crore and a quarter of rupees.

Amongst other great engineering works undertaken by the company may be mentioned a Hydro-Electric Scheme including dam, buildings, tunnels etc. (Rs. 70 00,000) and earlier another dam etc. (Rs. 20,00,000), strategic Royal Air Force stations costing Rs. 34,00,000, an Electric Power House (Rs. 15,00,000) and similar other works aggregating in value to over a crore and a half of rupees. The company has also built major railway projects and carried out ancillary schemes totalling in value to over Rs. 35,54,000 Various projects under military auspices have been carried out by the company which for obvious reasons, cannot be described here, but it may be mentioned that a project of buildings was valued at Rs. 71,87,000, another at Rs. 77,00 000, a third at Rs. 63,50,000 and there have been several others costing from 12 to 24 lacs of rupees each, aggregating in total value to Rs. 6,71,04 000 Over and above this, the firm has, so far, undertaken and successfully carried out the construction of roads and buildings for private owners



A LABORATORY BUILDING SOMEWHERE IN INDIA

Contractors Hindustan Construction Co Ltd.



A BRIDGE SOMEWHERE IN INDIA

totalling in value to about Rs. 62,95,000. Other miscellaneous works would easily add to the colossal amounts mentioned above a figure of Rs. 33,85,000. The company has on hand to-day large projects estimated to cost about Rs. 7,00,00,000 These figures speak most eloquently of the great organisation that the company has developed, of the skill and efficiency of the staff employed and of the vision and courage of the man who guides and controls the destinies of the company.

The diversity of constructional projects executed by the company has called 'for every kind of specialised engineering skill and efficient workmanship and no project has yet been lost or jeopardised only because the required experts could not be found amongst the large staff of specialists that are employed by the firm. On the contrary there have been cases when projects had been declined by great non-Indian firms of repute, but were undertaken and successfully carried out by this unique Indian organisation. Behind the expert knowledge and specialised skill is the dynamic drive and organising ability of the erstwhile junior partner of Messrs Phatak & Walchand Ltd., though it is a far cry indeed from a few miles of extension between Yedsi and Tadwal in 1904, to the most modern major projects totalling in estimates over eleven crores of rupees.

Except in the year 1937-38, the company has continuously maintained a record of financial progress In

its very first year the company declared a dividend of Rs. 200 on a share of Rs. 1,000, and Rs. 500 per share in the second year. On an average the company has during the last fifteen years made a return of nearly twenty per cent to the shareholders.

The company is entirely owned, controlled, manned and managed by Indians, and as such is a valuable asset to the prestige of Indian ability and organisation.

A summarised list of major projects carried out by the company is given here. All references to strategic and military works, however, are omitted for obvious reasons.

THE HINDUSTAN CONSTRUCTION CO LTD.

List of Major Works Carried Out

BRIDGES

		Estimated Cost Rs
1	Irrawady Bridge Sagaing for the Burma Railway	25,55,000
2	A Bridge re-construction for the G. I. P. Railway	16,00,000
3	Strengthening of a Viaduct Bridge and other Bridge for the G I P Railway	5,40,000
4	A Bridge for the G. I P. Railway	6,30,000
5	A Bridge at	6,00,000
6	R C C. Bridge on the Godavari at	5,50,000
7	A Bridge at for the B B & C I Railway	23,00,000
8	R. C. C Bridge over masonry wair, State	1,00,000
9	Two Bridges at	15,00,000
10	A Bridge on Road	3,00,000
11.	A Bridge at	1,00,000
12	Six Water piers for a Bridge for the A. B Rly	11,00,000
13.	Low Level Bridge at	1,50,000
14	R C C Bridge in Golappaly Vajoon	70,000
15.	A Bridge for a State P. W. D.	3,62,000
	Total Rs	1,24,57,000

DAMS, AERODROMES, TUNNELS AND POWER HOUSES

		Estimated Cost Rs
1	Drainage, Building Dam, Spillway and other works	20,00,000
2.	Dam, and Syphon Spillway	7,00,000
3.	Dam at	1,75,000
4	Works under Section 'A' of Hydro-Electric Scheme, Construction of Dam, Building, Tunnel, etc.	70,00,000
5	Aeroplane Landing Grounds at	2,58,000
6.	Quarters and elevated reservoirs for the Airport at	1,00,000
7.	An R. A. F. Station at	34,00,000
8.	Tunnel Work at Spur	15,00,000
9	A Power House for the G I. P Railway	15,00,000
10	Aerodrome and runways work at	13,50,000
	Total Rs.	1,79,83,000

RAILWAY CONSTRUCTIONS

		Estimated Cost Rs.
1.	Strengthening a Viaduct for the G I. P Railway, near ***	2,70,000
2.	Regrading and remodelling on the G I. P Rail way including a bridge	6,00,000
3	Works for the G I. P Railway	3,00,000
4	Works for the G I. P Railway	2,50,000
5	Railway Construction Work for the S. I. Railway	1,50,000
6.	Removal of up-catch siding for the G I. P Rly	1,80 000
7	Construction of a Railway for a State	2,50,000
8	Construction of Sewers for the N W Railway Colony	1 04,000
9	Construction of a siding for the G I. P Railway	1,50,000
10	Cement concrete foundation work for the G I. P Railway Electrification Scheme	11 00,000
11.	Cement concrete foundation work for the G I. P Railway Electrification Scheme	2,00,000
	Total Rs.	35,54 000

MILITARY CONTRACTS

		Estimated Cost Rs
1	A Building for the Military Authorities	71,87,000
2.	Reconstruction of a Military Building	12,00,000
3	Reconstruction of a Military Building	12,00,000
4	Rock and earth excavation work for a base	2,15,000
5	Hutting Works	2,60,000
6	Building for a Factory	77,00,000
7	Military Hospital	7,25,000
8	Hutting Works	1,95,000
9.	Ordnance Depot	1,50,000
10.	Ordnance Depot	24,75,000
11	Stores and various subsidiary buildings for a Depot	7,37,000
12	Hutting Works	3,22,000
13	Temporary Hutting Works	19,11,000
14	Medium Regiment and sundry works	8,50,000
15.	Hutted Accommodation Works	4,00,000
16	Hutted Accommodation Works	4,00,000
17.	Store, Transit Depot and other work	3,50,000
18.	Quarters, Hutting Works	45,00,000
19.	Central Ordnance Depot	58,27,000
20	Runway to landing ground and starting up-platform work	7,50,000
21	Hutted Accommodation, observation Tower, etc	7,00,000
22	Oil fuel depots	12,50,000
23	Sundry constructional works	63,50,000
24	Stores' shed works	28,00,000
25.	Factory Buildings	60,00,000
26	Hutting and Building works	21,00,000
27	Jetty work	5,00,000
28	Jetty work	8,00,000
29	Defence Works	12,50,000
30.	Hospital Work	80,00,000
	Total Rs	6,71,04,000

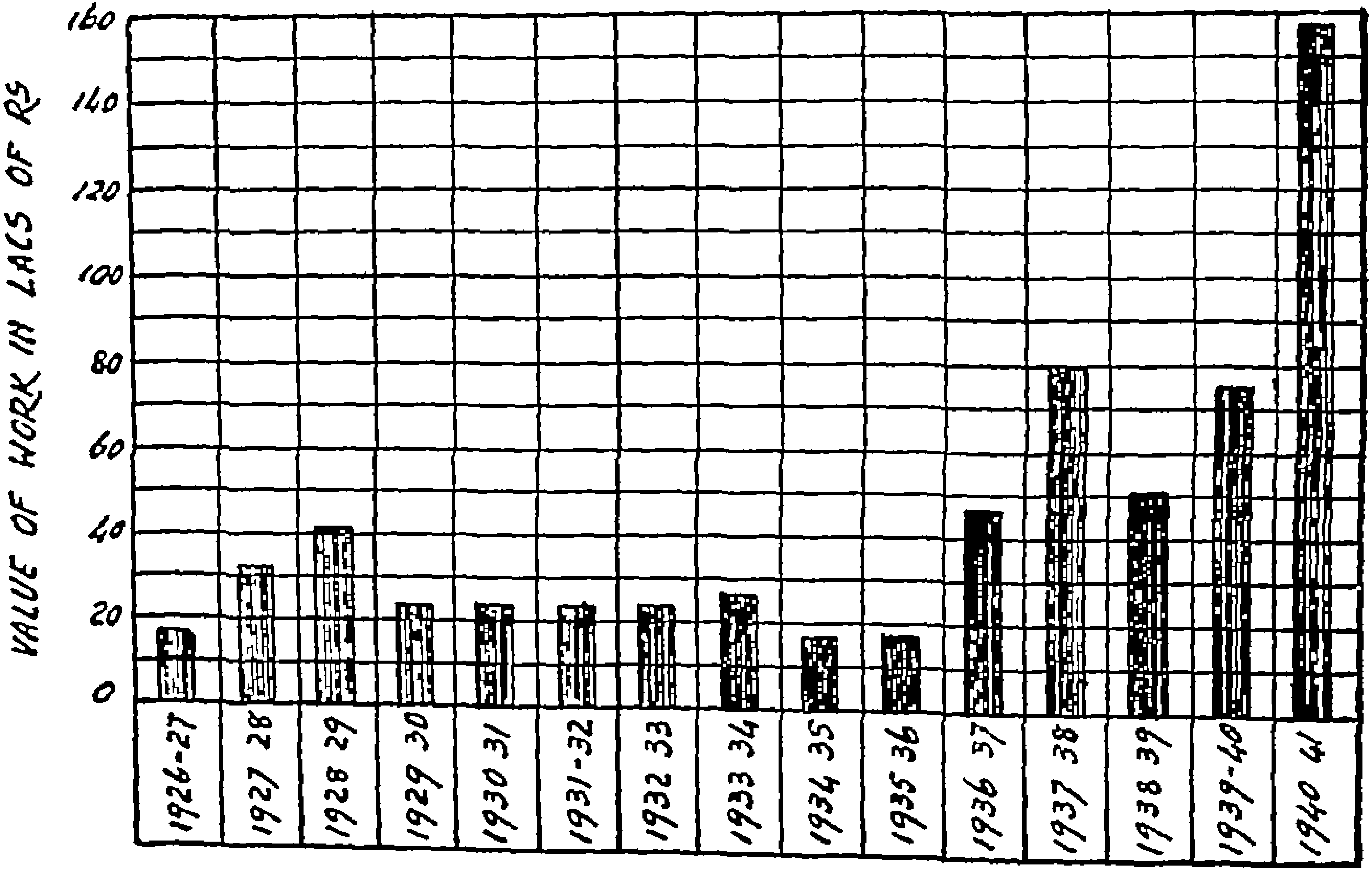
ROADS AND BUILDINGS

		Estimated Cost Rs.
1.	Nurses' Quarters, J J Hospital	2,50 000
2.	Raising to Class I old Bombay Road	5,50,000
3	Hindustan Co-operative Insurance Society Building, Madras	1 15,000
4	Municipal Road Works for the Karachi Municipality 1933-34 and 1934-35	2,50,000
5	Asphalt Road	1,25,000
6.	Arts College Building, *Osmania University*	2,00,000
7	Temporary Quarters in the earthquake affected area	1 00 000
8.	Asphalt Roads	1 50,000
9	New Control and Laboratory Building	5,50,000
10	Roads and Building for a State	3,50,000
11.	Construction of quarters at Jamshedpur	2,50 000
12	Laxmi Insurance Company Building	2,50,000
13	Market Building for a Municipality	1,00,000
14.	R. C. C. stands for Cricket Club of India	5,00,000
15	A Cement Factory Building	2,00,000
16.	Masonic Lodge	1 05 000
17	A Bank Building	1 75,000
18	Mafatlal Gagalbhai Swimming Pool and Super structure work	6,00 000
19	A Station Building for the G I. P Railway	9,00 000
20	Railway staff quarters	3 50,000
21	Staff quarters for the N W Railway	2,25,000
	Total Rs.	62,95,000

MISCELLANEOUS WORKS

		Estimated Cost Rs
1.	Canal and Masonry Work. . .	6,00,000
2.	Raising and transporting manganese ore from quarries at Ravona and Palli in Goa	1,50,000
3.	Marwadi Tank work for a State P. W. D	2,50,000
4	Cross-regulator work and other works in Sind	4,00,000
5	Earth work in Sind	2,00,000
6	Earth work in Sind	1,75,000
7	Pile Driving works .	2,00,000
8	Causeways, South India	1,00,000
9.	Filtration Works with Coagulation tank for a Water Supply Scheme	2,58,000
10	Laying water mains in Sind	1,00,000
11	R. C. C. elevated tank work	1,42,000
12	Pile Driving work	3,75,000
13.	Pile Driving for the Hindustan Co-operative Insurance Building, Calcutta .	2,85,000
14.	R. C. C. Tower and Masonry for a Water Supply Scheme .	1,50,000
	Total Rs	33,85,000

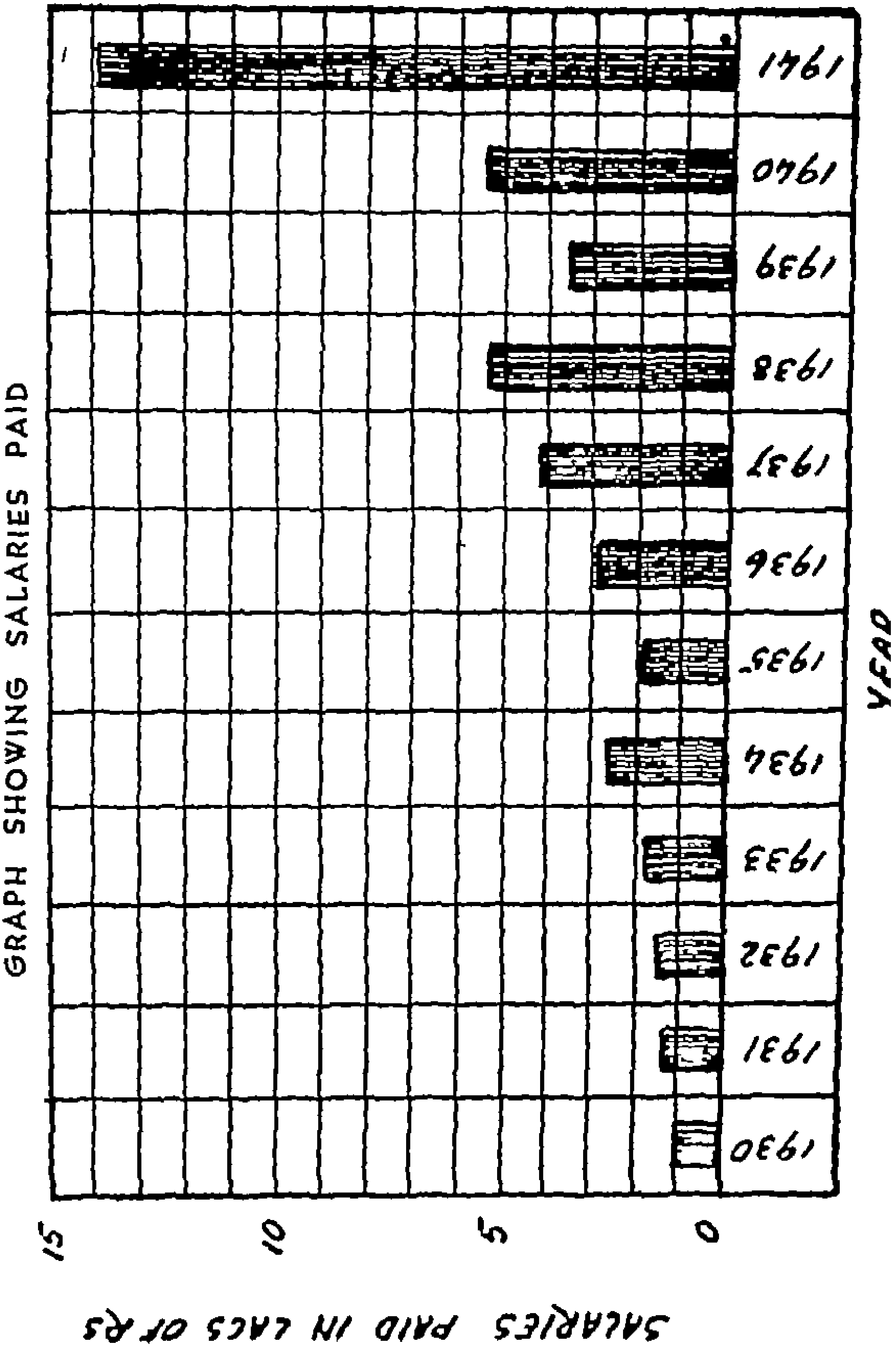
GRAPH SHOWING TURNOVER



THE HINDUSTAN CONSTRUCTION CO LTD

Statement Showing Turnover

Year	Turnover Rs
1926-27	16,60,236
1927-28	32,49,532
1928-29	40,58,848
1929-30	23,37,494
1930-31	22,81,126
1931-32	22,67,650
1932-33	22,56,778
1933-34	25,90,621
1934-35	16,83,605
1935-36	16,62,521
1936-37	45,86,232
1937-38	78,70,122
1938-39	49,55,077
1939-40	73,91,363
1940-41	1,57,64,721

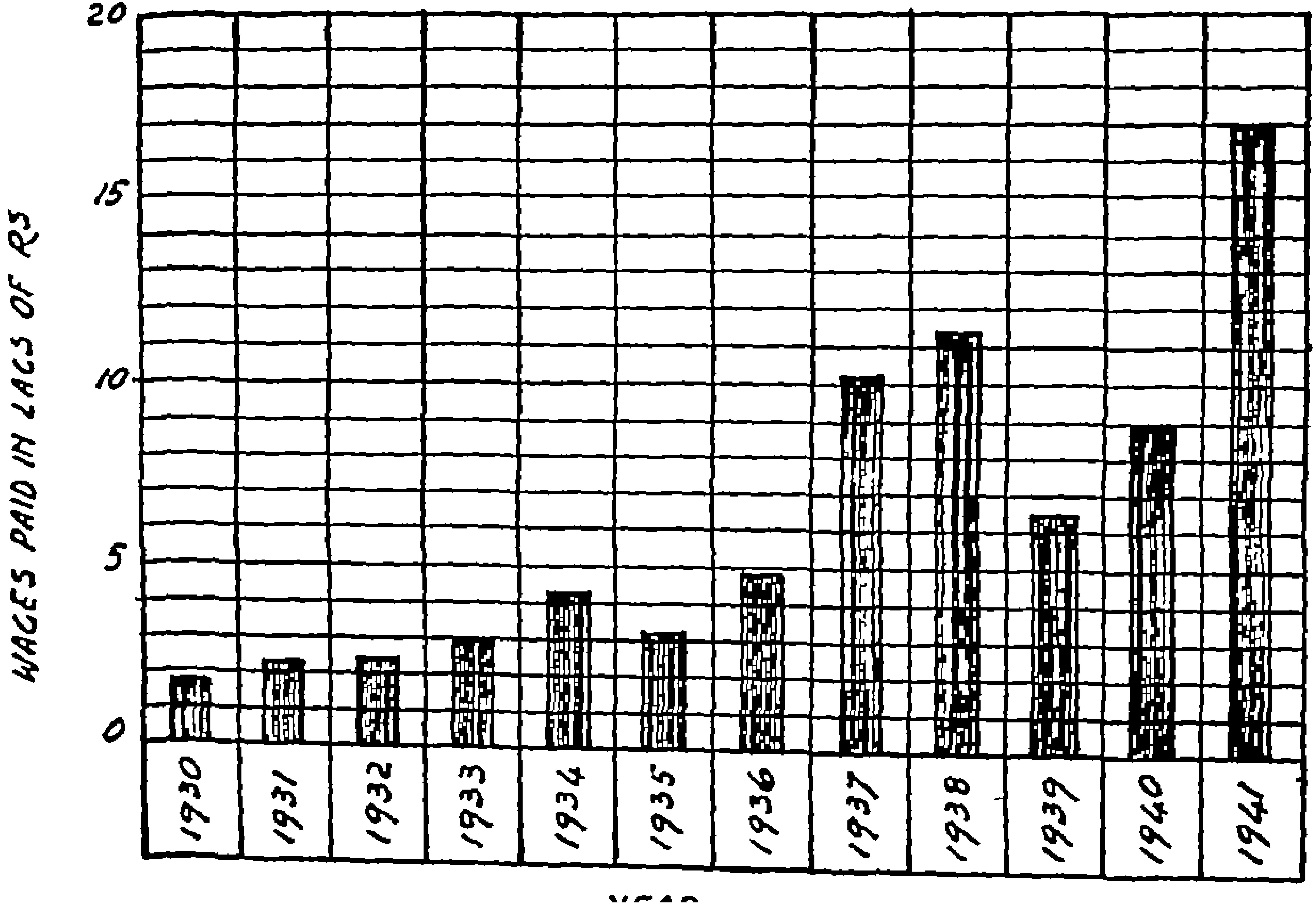

GRAPH SHOWING SALARIES PAID
1941
1940
1939
1938
1937
1936
1935
1934
1933
1932
1931
1930
YEAR
15
10
5
0
SALARIES PAID IN LACS OF RS

THE HINDUSTAN CONSTRUCTION CO. LTD.

Statement Showing Salaries Paid

Year	Salaries Rs.
1930	1,03,416
1931	1,36,951
1932	1,44,320
1933	1,74,414
1934	2,54,761
1935	1,90,595
1936	2,89,527
1937	4,14,766
1938	5,34,040
1939	3,65,793
1940	5,34,083
1941	13,96,246

GRAPH SHOWING WAGES PAID



THE HINDUSTAN CONSTRUCTION CO. LTD.

Statement Showing Wages Paid

Year	Wages Rs.
1930	1,71,565
1931	2,27,628
1932	2,39,428
1933	2,89,371
1934	4,22,771
1935	3,16,258
1936	3,80,442
1937	10,18,912
1938	11,32,241
1939	6,43,280
1940	8,91,266
1941	16,98,290

A high military officer, reconnoitring, came to a turbulent little river He turned to the accompanying constructional contractor and said "I want that to be bridged over, within the shortest possible time.

Meeting the contractor only a week later near about his Head-Quarters, he cocked an eye-brow and asked Why are you here, what about the bridge? "The bridge is built and is in use since yesterday said the contractor "I have now come for your official plans and specifications for the bridge.

This is not an anecdote from the history of Mr Walchand's constructional activities, but Mr Walchand once did much better He built two bridges within six days.

The Superintending Engineer of a very important Indian Railway writes about that fact as under

"Two canal bridges, one of 3 spans of 20 feet girders and one of 2 spans of 40 feet girders were built within a canal closure in six days.

Both were tackled simultaneously and were completed and water ways cleared within six days.

HUME PIPE INDUSTRY

Mr. RATANCHAND HIRACHAND
Managing Director The Indian Hume Pipe Co. Ltd.
The Acme Manufacturing Co. Ltd.

THE INDIAN HUME PIPE COMPANY LIMITED

Mention has already been made elsewhere in this volume of the Hume Pipe and Concrete Construction Co. (India) Ltd. of Calcutta. Soon after its formation, the Tata Construction Co. Ltd. acquired the Managing Agency of this company. The company was manufacturing concrete pipes by the Hume Process. There was considerable scope for the development of this industry in India. The industry was well established especially in Australia, but was then in a very initial stage in this country.

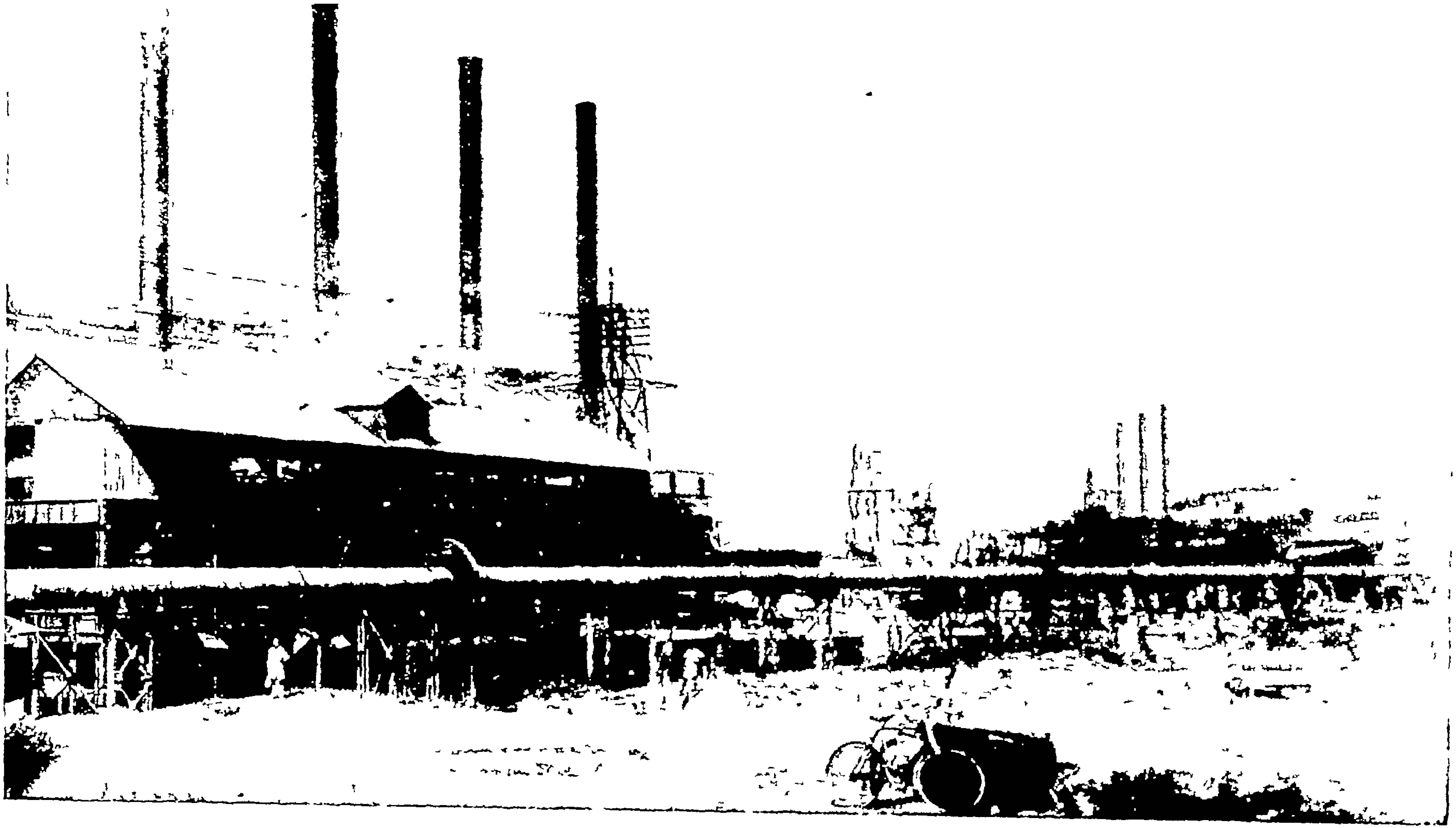
In 1921 The Tata Construction Co. Ltd. secured the rights for the manufacture of pipes by the Hume Process in the Bombay Presidency and a company was registered in Bombay for the purpose. This was The Bombay Hume Pipe Co. Ltd. It was a subsidiary concern. It was, however, closed after the Tata Construction Co. Ltd. secured the Managing Agency of the Calcutta concern. This was a new experiment and proved, during the first five years, a rather disastrous experiment.

The Hume Pipe and Concrete Construction Co.

(India) Ltd. was transferred to Bombay under the new Managing Agency There were very bright prospects of a large turnover of business when the company was taken over It had orders on its books worth about two crores of rupees, leaving a good margin of profits.

A European with extensive experience of Hume Pipe manufacture in Africa and India was in charge of the management of the company In the early twenties of this century the most aggressive superiority complex of European managers of Indian concerns, even vis-a vis their Indian employers, had been responsible for the wrecking of many an industrial venture on the rocks of disaster The Hume Pipe and Concrete Construction Co (India) Ltd. was, unfortunately, not an exception, and very early in the history of the management of the company, Mr. Walchand had to insist that he should be absolved from any responsibility whatsoever as regards the decisions of the Board, anent the management of the affairs of the company

While the position was progressively worsening, the Construction Board went on advancing large sums of money to the concern as they were told by the independent British engineer in-charge that the affairs of the company were about to take a turn for the better The total of advances made by the Managing Agents rose to the colossal figure of Rs. 25 00,000, after which they were in no mood to give further advances.



HUME STEEL GAS MAIN FOR AN INDUSTRIAL WORKS SOMEWHERE IN INDIA

A HYDRO-ELECTRIC PROJECT

A general view of the pipe line and the factory

It was at this critical juncture that the management was put under the absolute control of Mr Walchand Hirachand. The European manager was immediately dispensed with The company was in a helpless quandary. It had run through Rs. 25 lacs of advances ; it had lost its own capital of Rs 38 lacs It was decided that the company should be taken into liquidation and Mr. Walchand was directed to sell away the assets, as only a miracle could save the company. Under the new aegis, however, the miracle was to happen.

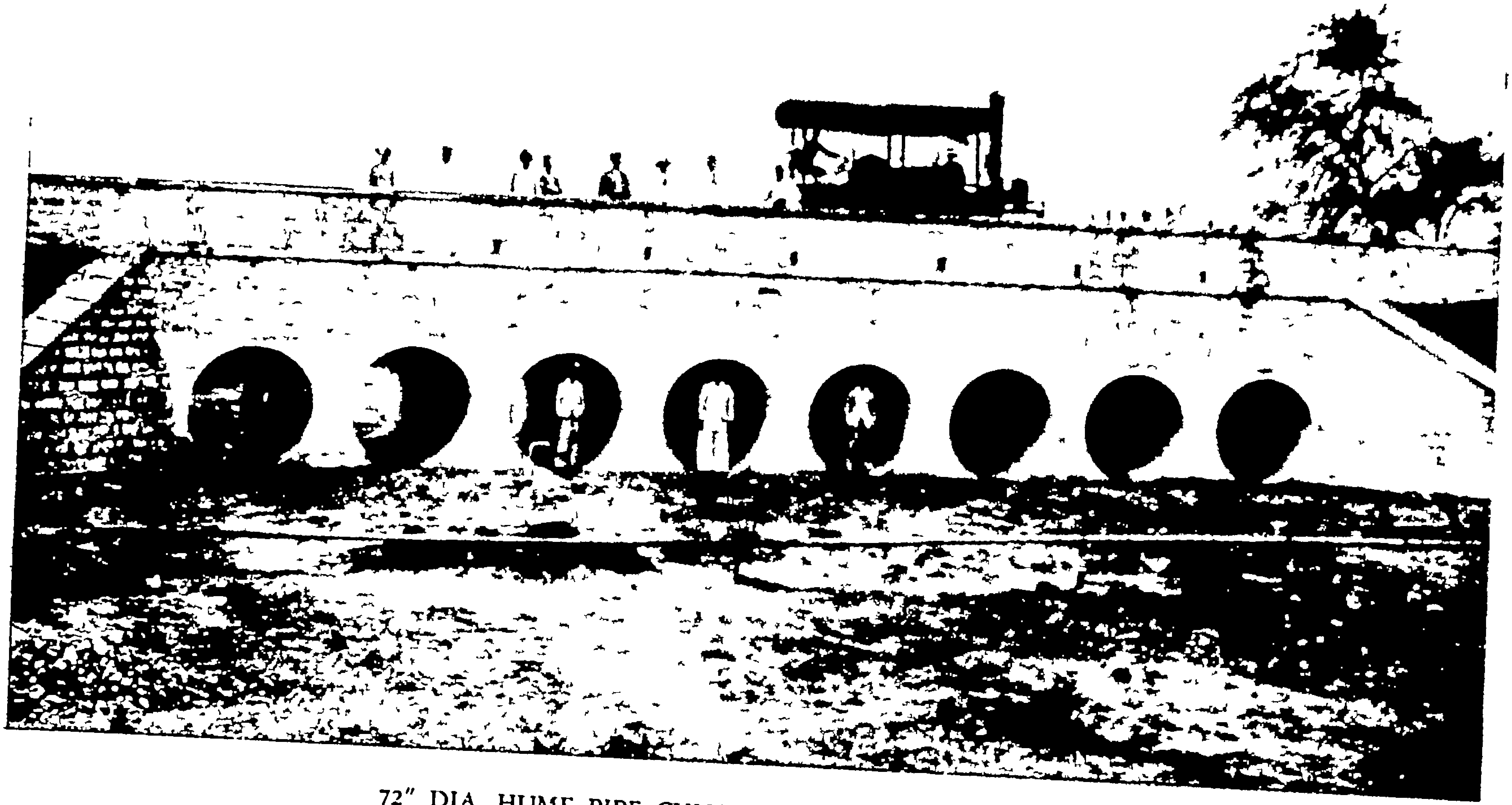
It was about this time, that Mr. Walchand, while touring England, visited the Hume Pipe Works in England, which, after having lost £300,000 in the process, had successfully turned the corner and were making pipes at good profits. Mr. Walchand arranged to have his engineers trained in that factory in the art and science as well as in the profession of manufacturing Hume Pipes profitably. Mr Walchand had also sought the personal advice of Mr Hume, who, at Mr Walchand's request, spent a considerable time in India to advise Mr. Walchand. It may be mentioned that Mr Hume had no faults to find either with the *Indian* personnel or with the materials available in India.

On return from England, Mr Walchand had successfully persuaded the Board to revive the industry and sent two of his engineer graduates to Australia to gain experience on the spot. By the middle of 1926, the present

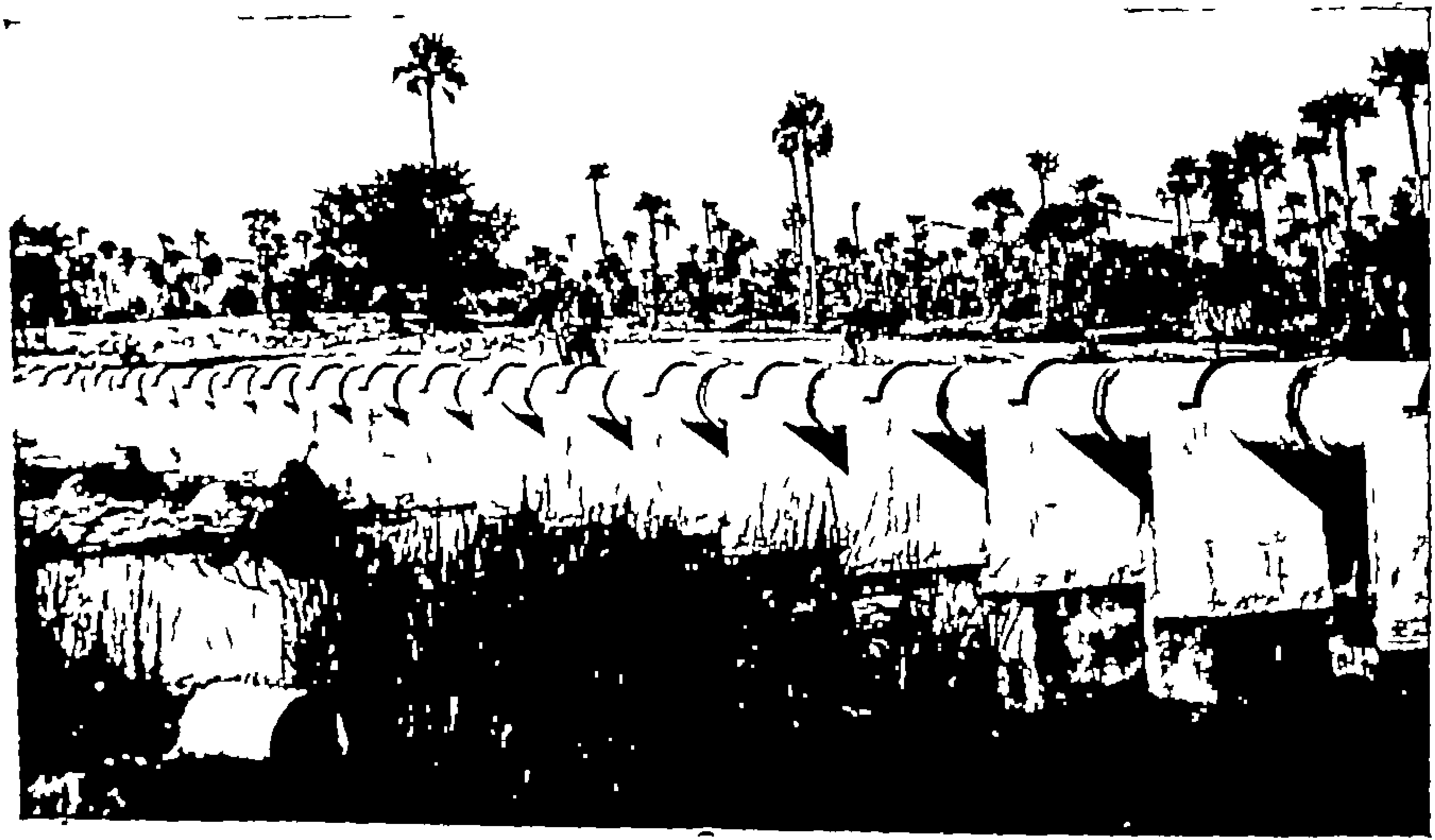
Indian Hume Pipe Co Ltd. was formed and since then, like other great ventures of Mr Walchand, the company has never had occasion to look back.

There was only one Hume Pipe factory in 1926 There were 35 factories in 1941 spread throughout India, Burma and Ceylon. The company's bill for wages and salaries amounted to Rs. 28,051 in 1926. In 1941 the wages and salaries bill amounted to Rs. 12,99,217 The turnover of the company in 1926 was Rs. 67,503. In 1941 it was Rs. 65,60 048. The capital of the company in 1926 was but only Rs. 5,00,000 In 1941 the total came to Rs. 80,00,000 at the foot of the balance sheet. These figures eloquently relate their own romantic story

Whereas the first Hume Pipe venture, viz. The Hume Pipe and Concrete Construction Co. (India) Ltd. collapsed with a catastrophic loss of Rs. 53 lacs, the Indian Hume Pipe Co Ltd. has so far shown a nett profit of Rs. 23,67,055 All credit, not only to the skill and efficiency of the vast Indian organisation that the company has built up, but also and primarily to the dynamic force of the man behind this great organisation. It has, at present, expert staff, expert supervision, expert consultation and, of course, expert control. Several members of the large technical staff—which includes about a hundred trained engineers in it—have received advanced training in foreign countries—and no opportunity is lost to keep the staff in continuous touch with the consulting engineers of high repute, both foreign and Indian.



72" DIA HUME PIPE CULVERT SOMEWHERE IN INDIA



24 HUMEOGENOUS PIPE LINE
This is a gravitation Main of about 7 Miles for water supply

The policy of the company has been to establish a local plant wherever there is sufficient demand for Hume pipes. The decentralisation brought about in this way has consistently spelt economy with progress. It gives, besides, full scope for the employment of local talent and local materials. Incidentally it saves enormously in transport charges which often have driven small-scale industries to commit *harakiri.*

It is needless to point out that the Hume Pipe made in India had to work its way to universal acceptance through many and varied difficulties created by various interests as also by the traditional slowness of the official mind in recognising a new manufacture, especially when red tape and unimaginative conservatism are their ruling passions. The Hume pipe has often been made to pass more severe tests than its specifically intended use would warrant or justify. To mention only one out of innumerable such instances, the Chief Engineer of a big municipality, in order to find out whether the pipes when laid longitudinally under road surface would stand the strain of traffic that would pass above them on the road, laid a 30″ standard Hume pipe longitudinally, with only 6″ cover on top, and rolled the surface several times with a twelve-ton roller. The pipe survived the test under conditions which it would never be called upon to satisfy, while serving the purpose for which it was built. The Hume pipes have, by now, stood the test of time and in many cases where the pipe lines have been reopened to do

some other excavation work, as was done in Quetta after ten years or in Hyderabad (Deccan) after eleven years, the pipes were found to be almost as good as they were when laid in position.

During the last fifteen years the process has been applied in the manufacture of a variety of products like, to mention only a few, Cable Conduit Pipes, Sentry Cabins, Telephone Booths, Lighting Standards, Fencing Posts, Telegraph and Telephone Poles, Septic Tanks, Water Troughs Dust Bins, Public Conveniences and last but not the least, the underground Air Raid Shelters.

The process of manufacture is being continuously improved upon in the light of experience gained or of latest expert advice received to make the concrete pipes as perfect as scientific skill and an expert organisation can make them.

Since 1941 the company has started the manufacture of steel tubes of small diameters. It has started rolling steel and is actively contemplating the starting of re-rolling steel for which electric furnaces are being provided. These will be further notable additions to the already existing factories, structural workshops, brick fields limekilns, sand depots, etc. owned by the company in places widely scattered in India, (till recently in) Burma and Ceylon

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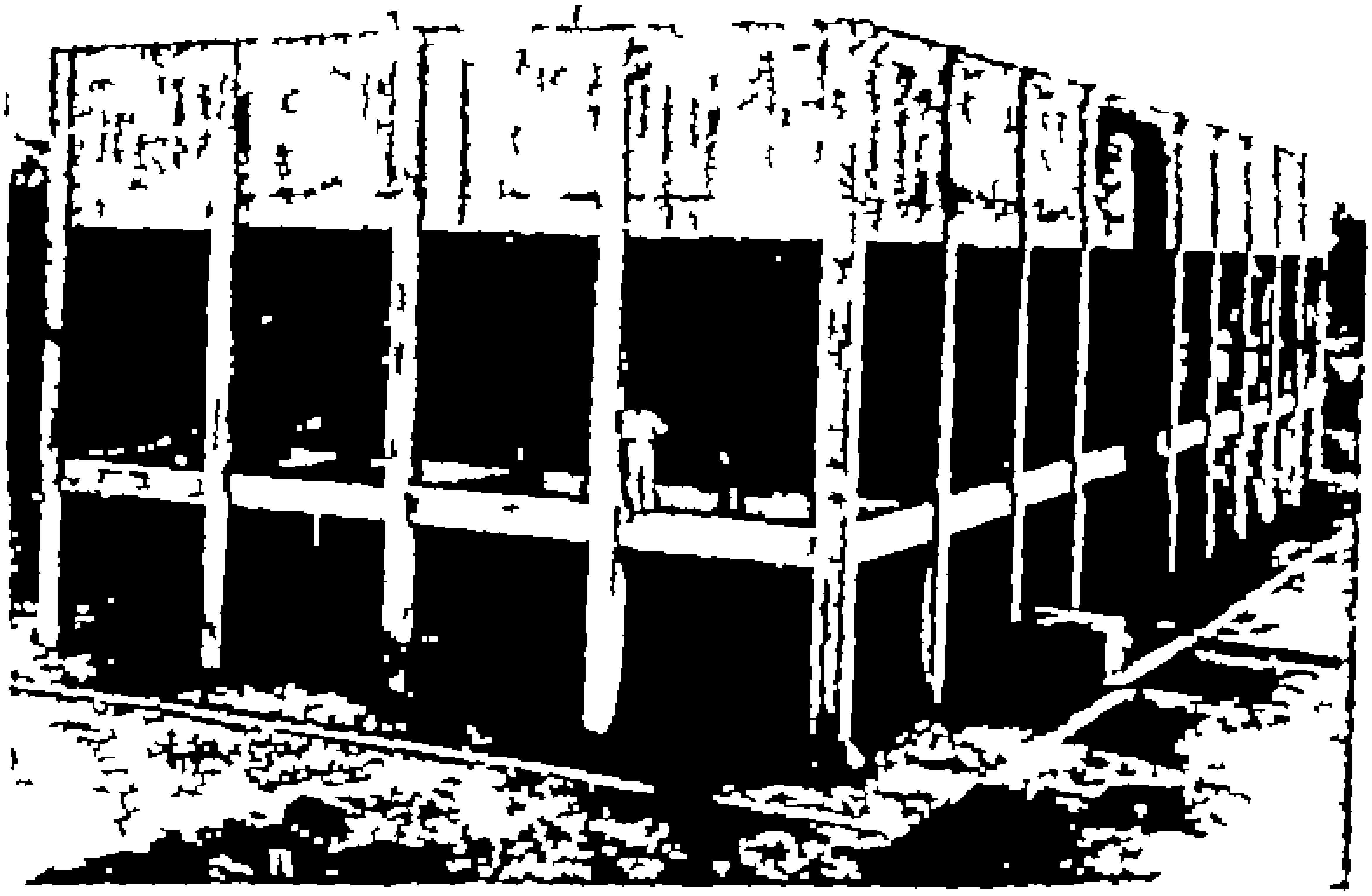


150,000 GALS. R.C.C. TANK FOR WATER WORKS

Contractors Hindustan Construction Co Ltd

A CULVERT IN 48 HOURS

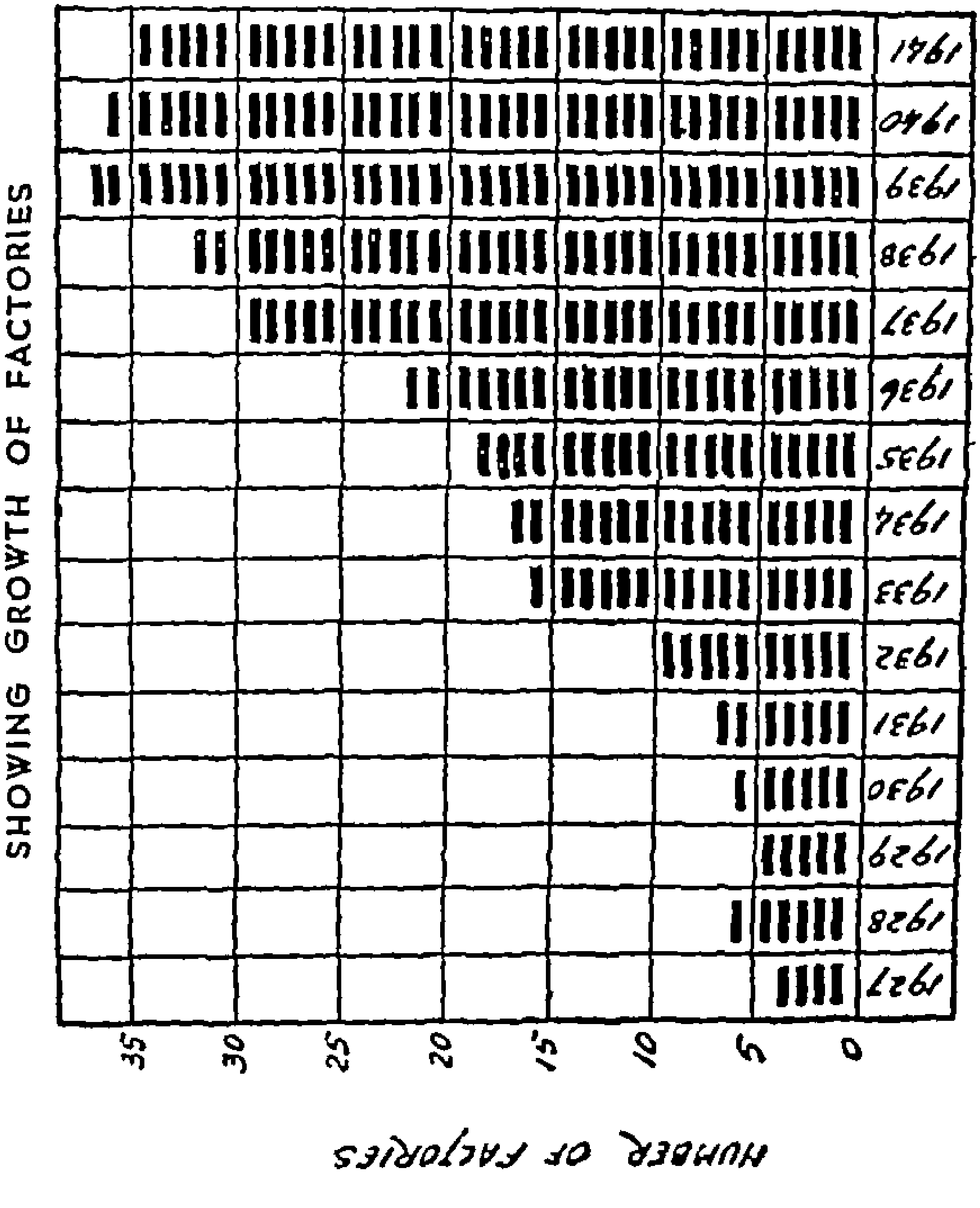
A HUME CULVERT IN 48 HOURS

It has been described elsewhere how a bridge, in fact two bridges, were built in six days. A record hustling was shown by the Hume Pipe engineers, when they were called upon to build a culvert across a canal, which could not be closed for more than 48 hours

A culvert of the type required normally takes eight days to build, so the Hume Pipe was the remedy—a much cheaper and a much more efficient and quicker remedy

Two rows of 48″ Hume Pipes 24′ - 0″ long were put in. Face walls were built in the ordinary way Excavation and lime concrete were done in the night Pipes were laid in correct levels in the morning Masonry in cement mortar at the ends began in a few hours The murrum filling upto top was done on the first day Second day saw masonry brought 2′ - 0″ above the tops of the pipes, side walls pitching etc finished and the culvert was ready within 48 hours

And what is more important, the Hume Pipe culvert made a neat and artistic addition to the landscape

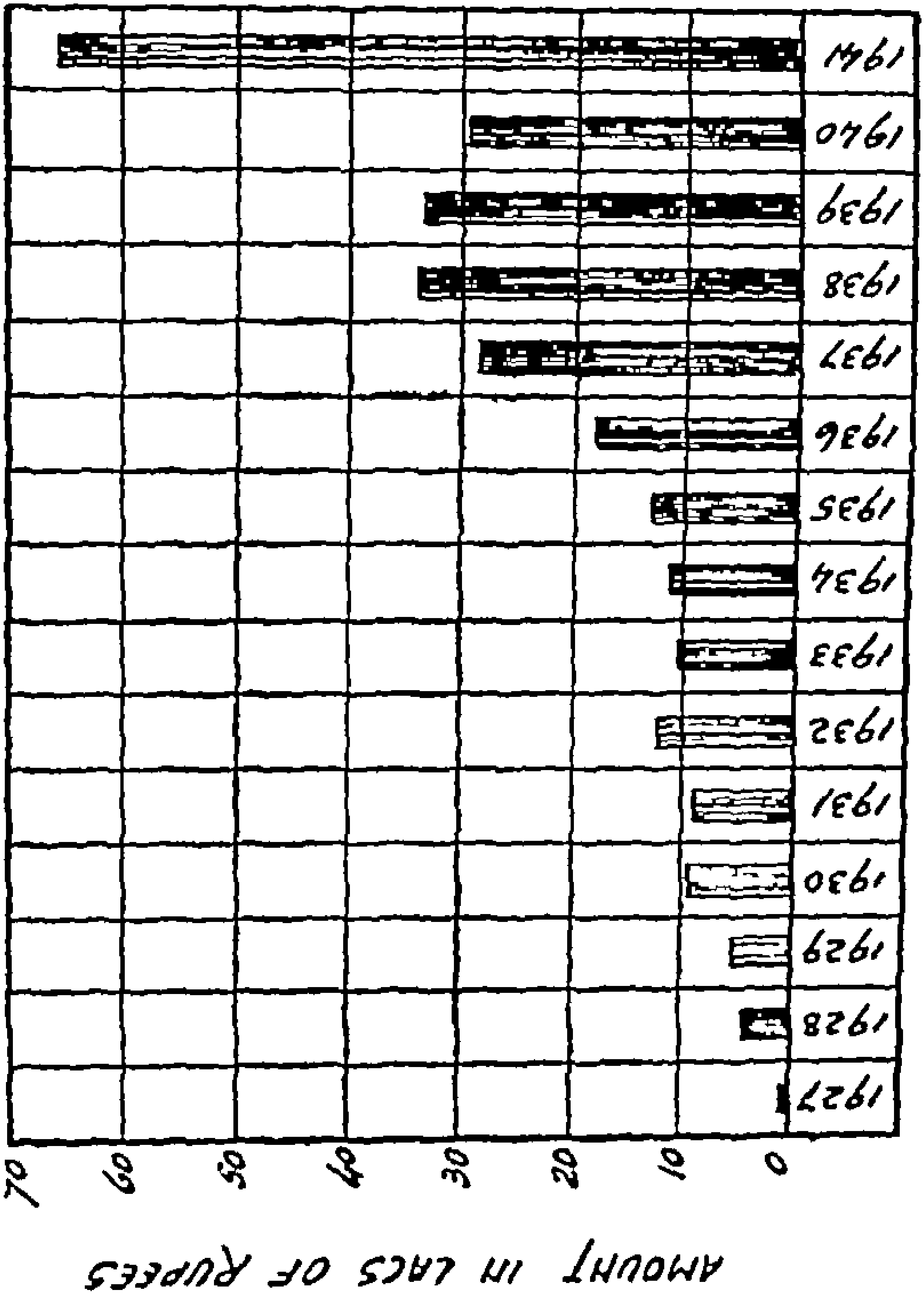

SHOWING GROWTH OF FACTORIES
1941
1940
1939
1938
1937
1936
1935
1934
1933
1932
1931
1930
1929
1928
1927
35
30
25
20
15
10
5
0
NUMBER OF FACTORIES

THE INDIAN HUME PIPE CO. LTD.

Statement Showing Growth of Factories

Year		Number of Factories
1927	....	4
1928	..	6
1929		5
1930		6
1931		7
1932		10
1933		16
1934		17
1935		19
1936		22
1937		30
1938		32
1939		37
1940		36
1941		35

GRAPH SHOWING TURNOVER

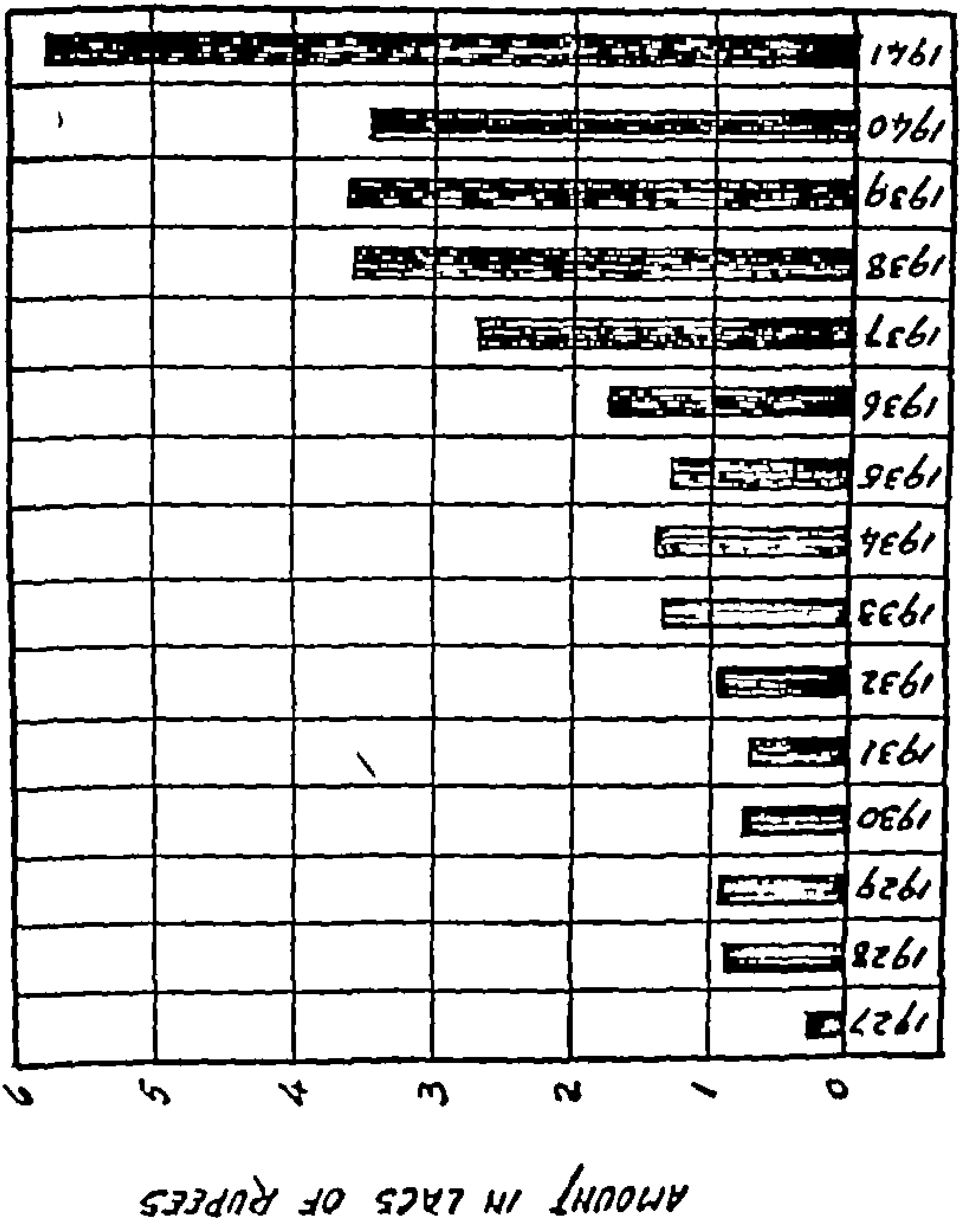


THE INDIAN HUME PIPE CO. LTD

Statement Showing Turnover

Year	Turnover Rs
1927	67,503
1928	4,35,145
1929	5,25,547
1930	9,65,807
1931	8,93,025
1932	12,25,978
1933	10,67,998
1934	11,32,801
1935	13,09,577
1936	18,24,691
1937	28,40,393
1938	33,94,242
1939	33,46,077
1940	29,59,552
1941	65,60,048

GRAPH SHOWING SALARIES PAID

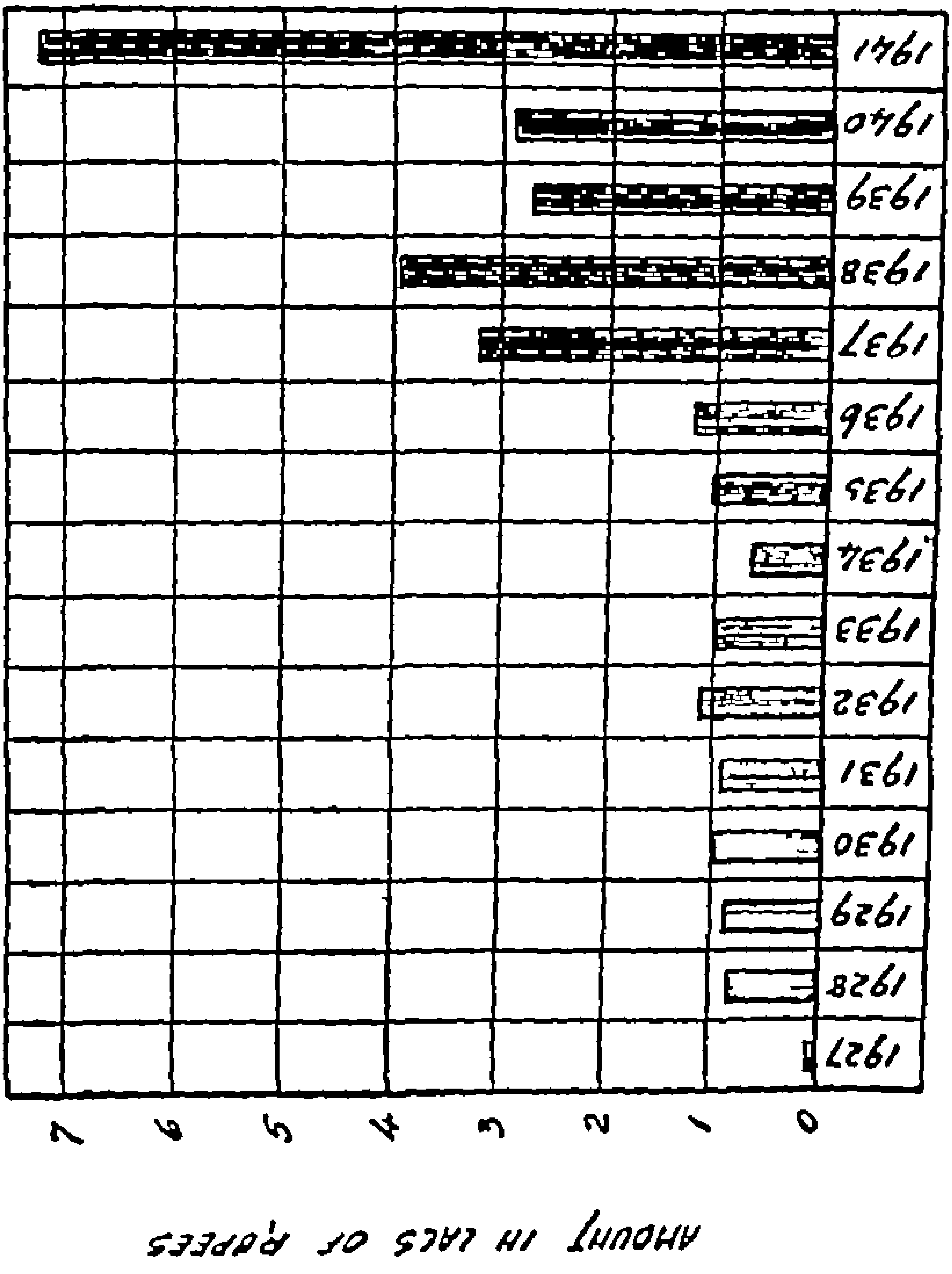


THE INDIAN HUME PIPE CO. LTD.

Statement Showing Salaries Paid

Year	Salaries Rs.
1927	25,998
1928	87,563
1929	93,279
1930	76,046
1931	71,473
1932	94,605
1933	1,35,379
1934	1,41,706
1935	1,31,115
1936	1,75,646
1937	2,67,591
1938	3,58,049
1939	3,62,172
1940	3,47,363
1941	5,76,953

GRAPH SHOWING WAGES PAID



THE INDIAN HUME PIPE CO. LTD.

Statement Showing Wages Paid

Year	Wages Rs
1927	2,052
1928	83,723
1929	88,973
1930	99,828
1931	91,476
1932	1,11,236
1933	98,991
1934	66,382
1935	1,01,227
1936	1,19,549
1937	3,22,329
1938	3,94,019
1939	2,75,933
1940	2,92,342
1941	7,22,263

HUME PIPE TESTS

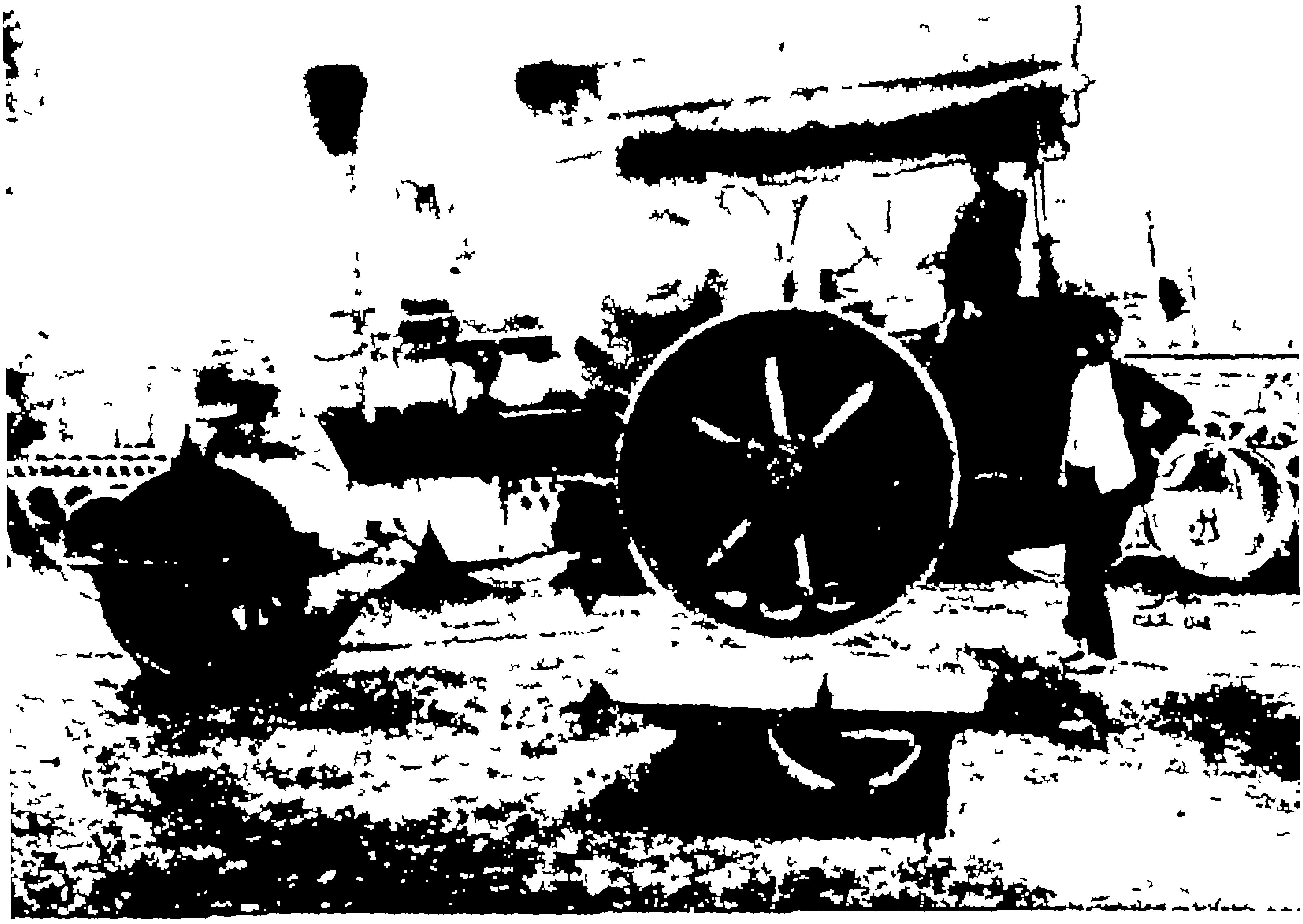
Hume Pipes have often been subjected to some severe tests. Many of these tests were for efficiencies beyond the normal requirements of the Pipes tested but the Hume Pipes have stood them all, in a satisfactory manner.

Once a pipe that was to be placed in position several feet below the road surface was covered just with six inches of earth. A twelve-ton roller was then made to go slowly over it backwards and forwards. The pipe stood the load and the strain without any deterioration whatsoever.

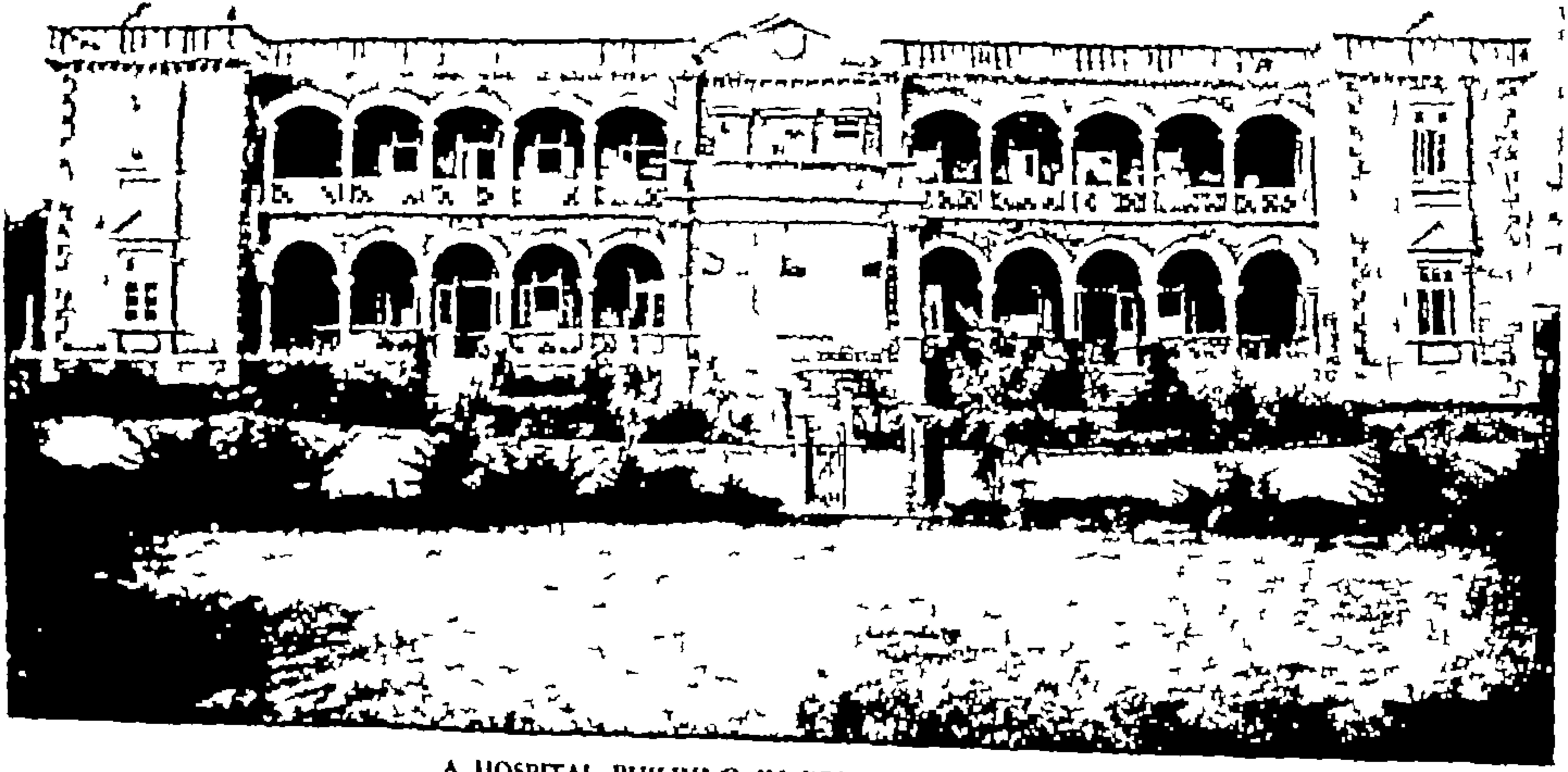
On another occasion 175 tons load was put upon a Hume Pipe under special conditions and the pipe stood it like a rock.

Tests were carried out under Locomotives, Steam-rollers and other loads or with internal Hydraulic pressure and in every case the Hume Pipe, whether of concrete or of steel, stood the tests giving satisfactory results far in excess of the purposes for which the pipes were made to be used.

More than ten million feet of Hume Pipes are in use in India today If placed end to end, these would cover nearly eighteen hundred and ninety-four miles, a distance greater than that covered by any river in the country An unbroken line from the northern-most point in India to the southern most point of the continent would be covered by the Hume Pipes already in use.



HUME PIPE UNDER HEAVY LOAD TEST



A HOSPITAL BUILDING IN BOMBAY PRESIDENCY

AGRICULTURAL COMPANIES

•

MARSLAND PRICE & CO. LTD.

THE RAVALGAON SUGAR FARM LTD.

•

Mr GULABCHAND HIRACHAND

MARSLAND PRICE AND COMPANY LIMITED

THE WALCHANDNAGAR* FARM

The Marsland Price & Co Ltd. was registered in 1908 and was perhaps the first company in India specialising in reinforced concrete and structural steel work. During the first decade of its existence, however, the financial results of the company were not satisfactory. The Preference dividends often remained in arrears and there was a debenture loan of Rs. 6,00,000, an amount equal to the paid up capital.

Mr Walchand took over the management of the concern in 1920, and the company made such good progress under his management that by 1926-27 the debentures were fully redeemed, all arrears of dividends on Preference Shares were liquidated and in one particular year the company paid a record dividend of 20 per cent to the Ordinary shareholders The activities of the company, however, were heavily curtailed during the world depression period and there was actually a time when the closing

* Formerly known as Kalamb

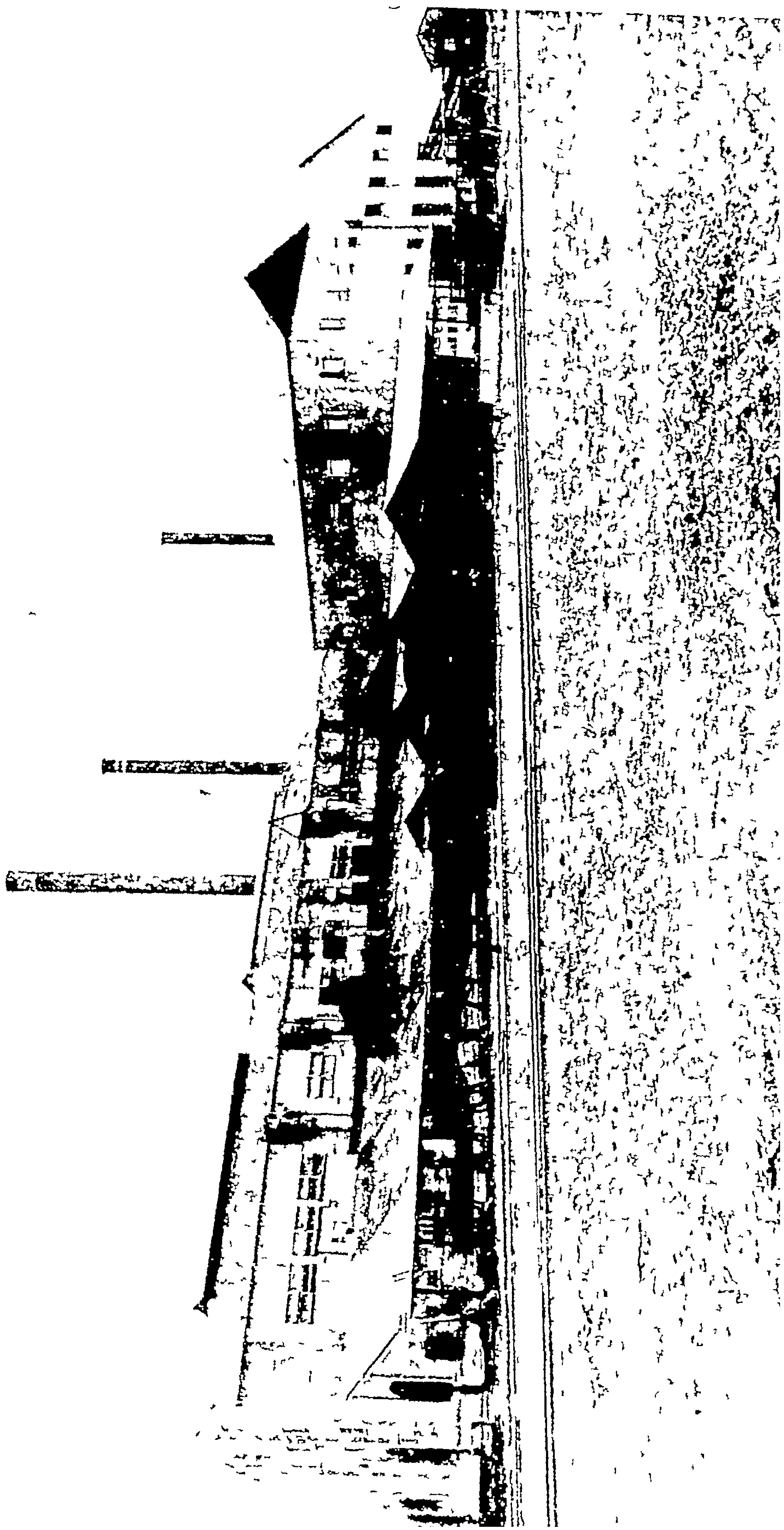
of the company was seriously contemplated. The company, however, dragged on from year to year, expecting better times, which seemed hardly coming, despite the best efforts of the management.

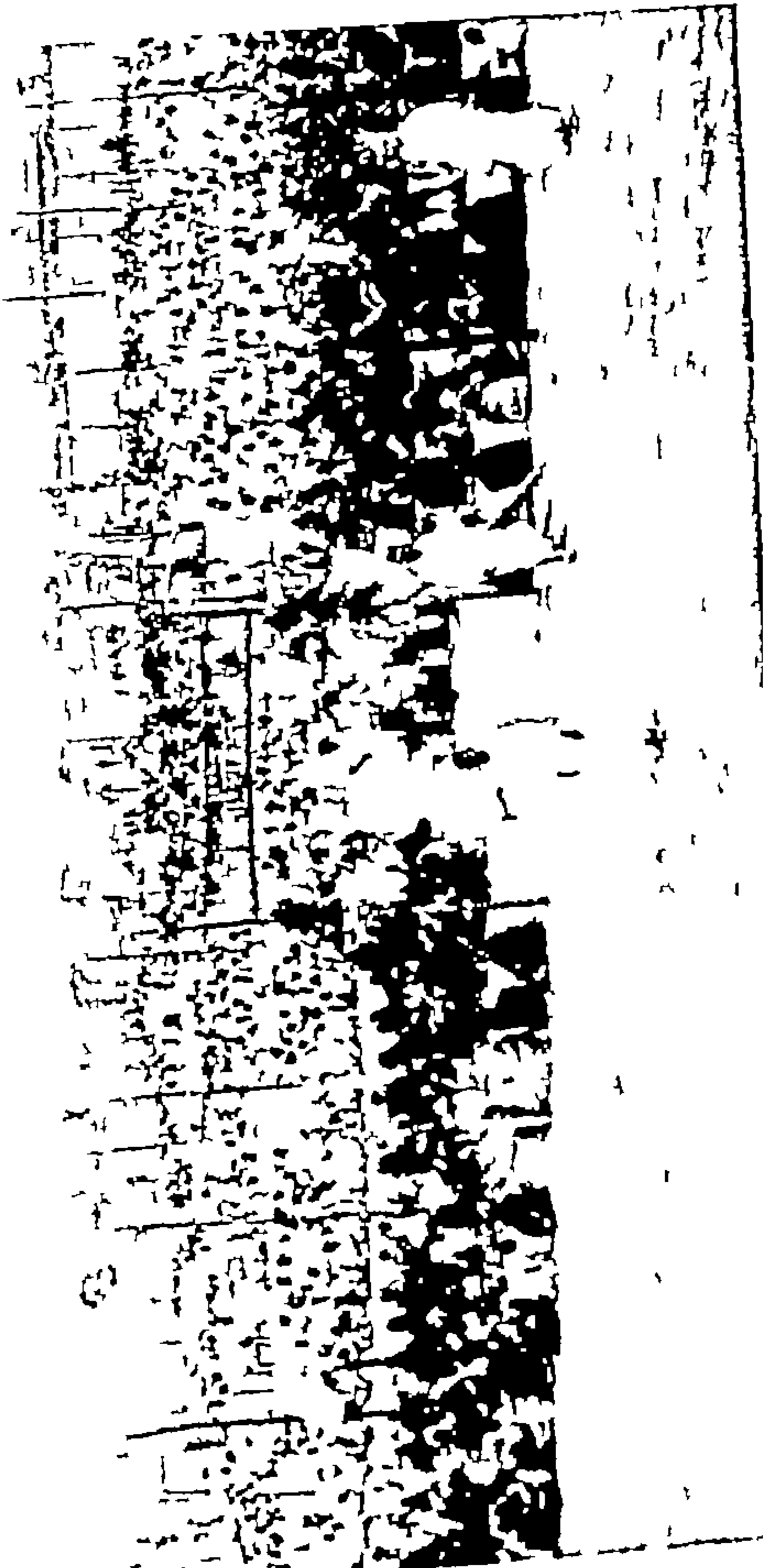
With the grant of protection to the sugar manufacturing industry, a very unconventional step was taken to turn the Engineering Company into a Sugar Farming and Manufacturing Company. The idea was put before the *shareholders whose approval was duly secured and the* very Judge before whom the petition for changing the objects of the company was heard, could not help expressing surprise at such a novel metamorphosis.

The site selected for the farm and factory was at Kalamb, now Walchandnagar, but then a barren and undeveloped tract on the Nira canal area in the Poona District. The soil reaches a depth of eight to thirty inches and the lower layers are hard murrum. The average annual assessment for the best lands in that area varied in the old days from annas eight to about a rupee per acre. Even at that the Government had often wholly or partly to forego the annual assessment.

It was on such a site that Mr Walchand installed in 1933, a small Krupp plant with a crushing capacity of 150 to 250 tons a day.

All the resources that capital and skill could supply were brought to bear upon the Walchandnagar Farm. Agricultural operations were put on most modern and





scientific lines, under the direct and constant supervision of trained experts. The handicaps of nature were overcome by science and a fallow waste was turned into a fertile land. The average yield per acre was 39 2 tons in 1935-36. It was 48 5 tons in 1941 and 53 7 tons in 1942—and when the Maharashtra Chamber of Commerce organised a competition in 1934 for "Prize Plots" with record yield of cane, the Walchandnagar Farm came out the best with a yield of 104 tons of cane per acre, the highest figure yet attained in India

The Walchandnagar project started with a capital of Rs. 6,00,000 and a block capital of Rs. 13,36,838 in 1933-34. After eight years the paid up capital rose to Rs 13,50,000 and the total capital block amounted to Rs 63,72,456 in 1942 The under crop area in 1935-36 was only 973 acres. In 1942 it rose to 3,500 acres. The crushing capacity of the plant in 1934 was between 150 and 250 tons. In 1941 it was between 1000 and 1100 tons. Only 9,000 tons could be crushed in 1934, in 1941 the crushing capacity rose to 1,75,152 tons. The salaries and wages bill in 1933-34 was Rs. 2,63,114 ; in 1941 it rose to Rs 10,30,080. Only about Rs. 12,000 were paid as excise duty in 1934, whereas the excise duty paid in the year 1940-41 was over Rs. 10,67,000. These figures speak for themselves. They are as inspiring as they are eloquent.

There are, of course, the allied industries on the farm There is a Dairy, an Oil Mill, and an Oil Refinery, a

Vegetable Ghee and Distillation Plant. A Power Alcohol plant is under preparation.

The dairy has 200 heads of milch cattle. The latest type of milk pasteurisation plant has been installed with a capacity of treating 1,000 pounds an hour, though its maximum capacity has yet to be utilised, for the dairy produces only about 1,800 to 2,000 pounds of milk per day The balance of milk, after the colony has been supplied with, is despatched to Bombay

The oil mill plant was set up in 1939 It crushes ground nuts at present, and the ground nut cake is used for manuring the farms. An oil refinery and hydrogenation plant has also been installed since 1941 for the production of refined oil, vegetable ghee etc. This is the first plant of its kind designed and manufactured by Indians in India.

The only by product which, unfortunately, cannot be utilised, at present, is a vast quantity of molasses. The diehard policy of the Indian Government of deliberately hampering the establishment of Power Alcohol industry in the country, for reasons that can be easily imagined, is responsible for the criminally wasteful destruction of hundreds of thousands of tons of molasses by produced every year in the various sugar factories in India. The molasses can otherwise be utilised for the production of Power Alcohol, which is the backbone of modern transport in times of peace, but more so in times of war A belated change in this policy is, however, becoming evident.

Walchandnagar, as pointed out above, has already designed and manufactured a Refining and Hydrogenating Plant. Efforts are now in progress to design and manufacture a Power Alcohol Plant also.

The Walchandnagar estate extends over fifty square miles and is well served by its own railway and motor transport. The total length of the railway lines owned by the estate is 65 miles and it interlinks the various sections of the estate and also provides the necessary connection to the Diksal station on the G. I. P. Railway main line. The company owns eight locomotives, a number of rail saloons, rail motor buses, wagons and a large number of trolleys. The railway transport is supported by a motor transport system which serves the areas not accessible by the railways. The company owns a large fleet of buses using petrol, crude oil and coal gas, and some of these buses have been built entirely in the company's workshops.

There are about eight thousand labourers employed in the various sections of the factory and on the farm, and the number of skilled workers totals about a thousand. Well ventilated pucca quarters house the staff. Hygienic conditions in the colony are secured by modern sanitation and underground drainage. A free dispensary provides both the Ayurvedic and the Allopathic treatment to the workers and their families Besides a qualified doctor, there is also a qualified *Vaidya* in charge of the dispensary and it has indoor accommodation for twelve beds in the

male ward and six beds in the female ward. The daily attendance in the out patient department is about 200. Primary schools have been set up in various sections of the estate. There is also a secondary school and it is proposed to raise it to the matriculation standard. A fine building has been recently erected to house this school. Night classes for adult workers are frequently held There is also a reading room and a library

There is a sports club, housed in a special building, where facilities for various games are provided by the company and an open ground admeasuring over ten acres is specially set aside as a sports field. A pucca market has been provided and another is under consideration. A few houses are also provided for casual visitors and serve as Guest Houses.

TRACTOR WORKSHOP, WALCHANDNAGAR

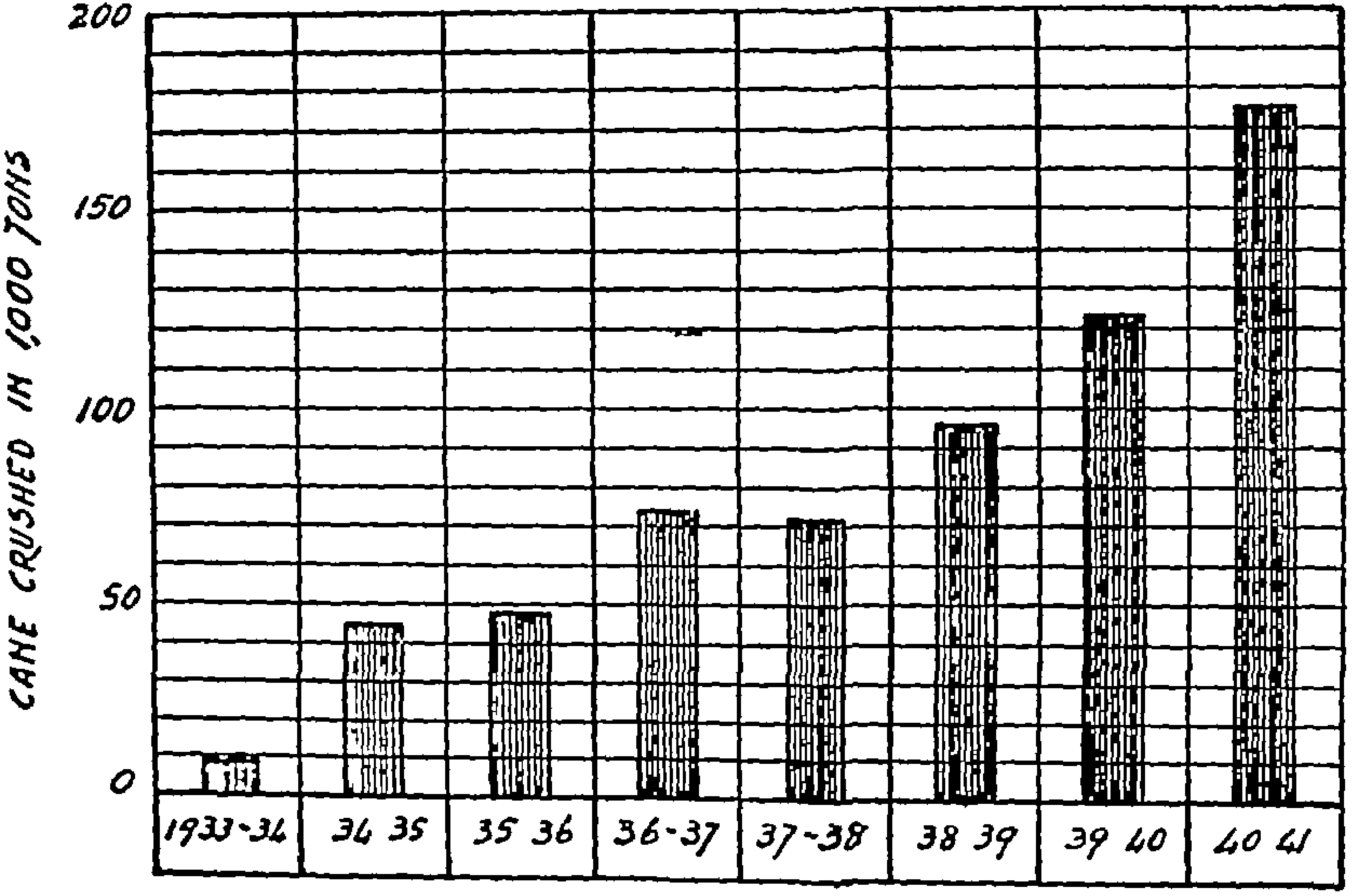
LOCO SHED, WALCHANDNAGAR

VETERINARY HOSPITAL, WALCHANDNAGAR

SCHOOL AT WALCHANDNAGAR

Mr. Walchand never lacks courage to face a failure, for his enterprise and courage often wrench success even from the very 'jaws' of a collapse His retreat has always been a prelude to an advance to ultimate victory The phoenix-like rise of the present Hume Pipe enterprise from the ashes of its predecessor Company, the ultimate success of the Ravalgaon Sugar Farm, the conversion of a failing Engineering and Construction Company into the now prosperous Walchandnagar, are but a few, out of many instances

GRAPH SHOWING DEVELOPMENT OF THE WALCHANDNAGAR SUGAR FACTORY

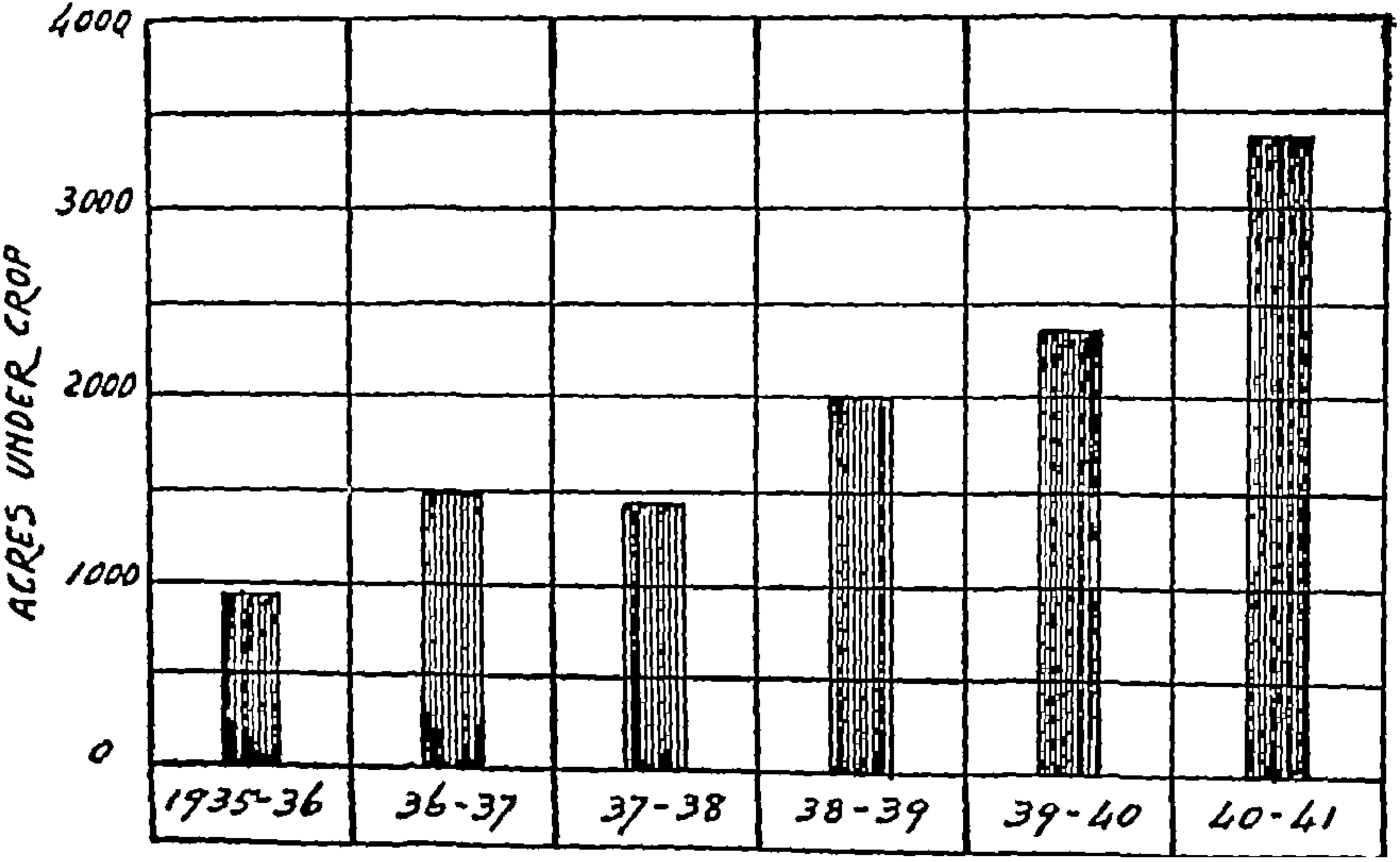


MARSLAND PRICE & CO. LTD

Statement Showing Development of the Sugar Factory

Season	Capacity of the plant per day Tons	Cane crushed Tons (Approx.)	Recovery %
1933-34	150-250	9,000	8 67
1934-35	150-225	44,140	9 67
1935-36	450-500	46,991	10 66
1936-37	450-500	73,236	10·28
1937-38	600	71,367	10 85
1938-39	600	94,789	11 23
1939-40	1,000	1,22,517	11 09
1940-41	1,000-1,100	1,75,152	9 64

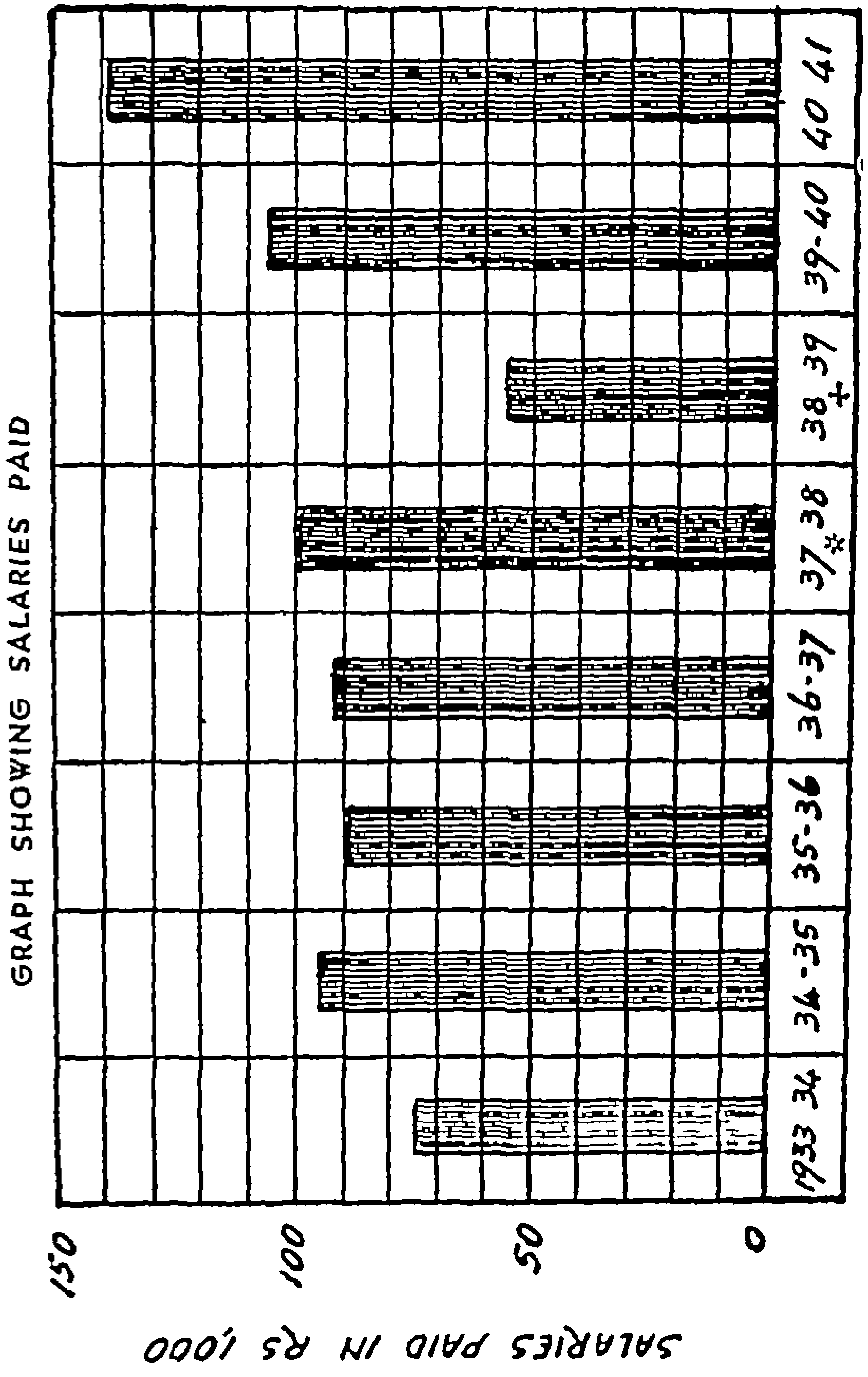
GRAPH SHOWING DEVELOPMENT OF THE WALCHANDNAGAR FARM



MARSLAND PRICE & CO. LTD.

Statement Showing Development of the Walchandnagar Farm

Season	Acres under crop	Total tonnage	Average yield per acre Tons
1935-36	973-00	38,185	39·2
1936-37	1482-18	62,730	42·3
1937-38	1440-05	62,197	43·6
1938-39	1998-20	85,079	42·5
1939-40	2356-21	1,09,918	46·6
1940-41	3375-08	1,75,152	48·5



GRAPH SHOWING SALARIES PAID
1933-34
34-35
35-36
36-37
37-38 *
38-39 +
39-40
40-41
0
50
100
150
SALARIES PAID IN RS 1000

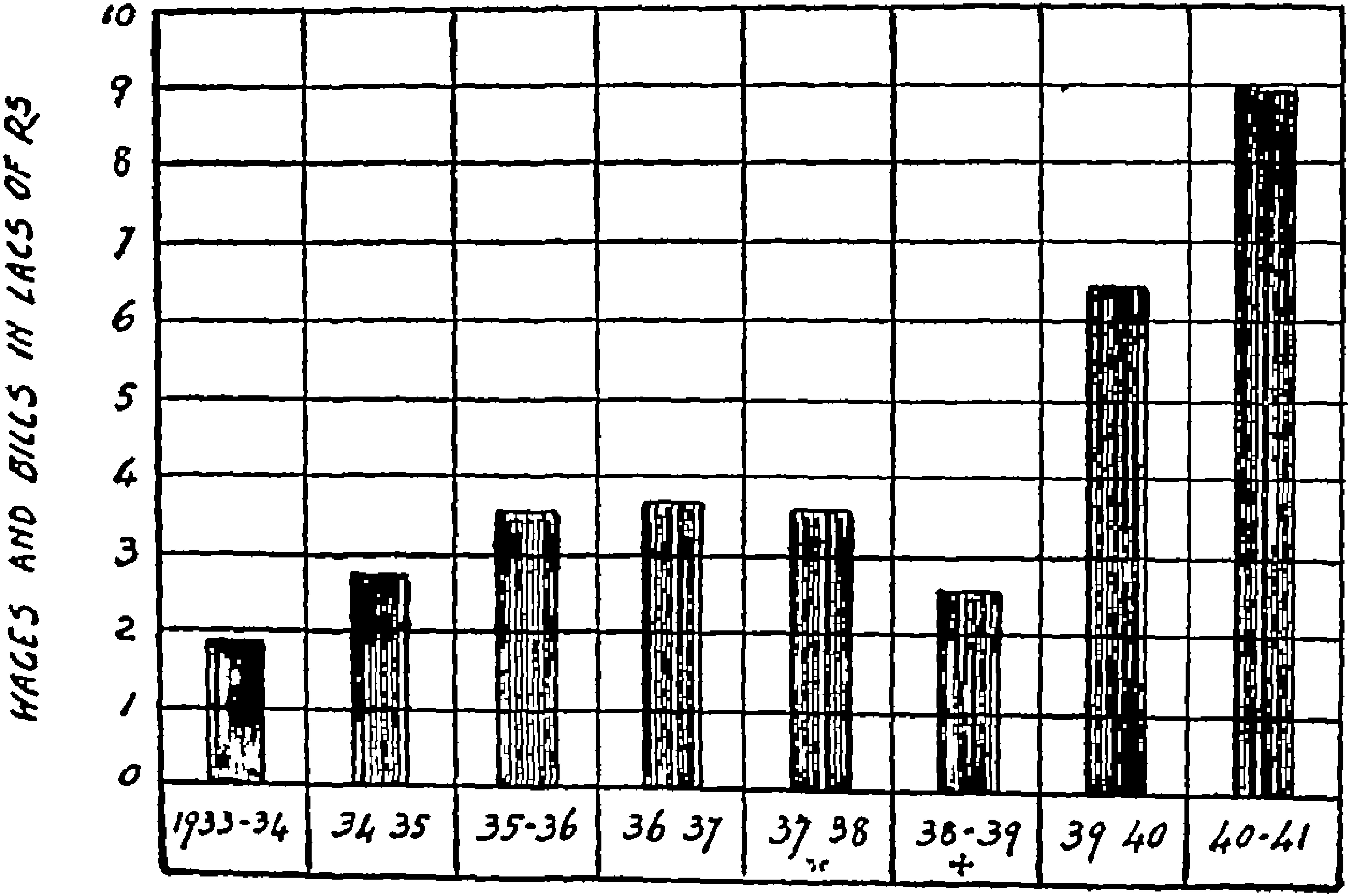
MARSLAND PRICE & CO LTD.

Statement Showing Salaries Paid

Period	Salaries Rs
1933-34	74,563
1934-35	94,757
1935-36	88,861
1936-37	90,890
*1937-38	98,823
†1938-39	56,434
1939-40	1,05,684
1940-41	1,38,753

* Represents a period of 14 months ending 31st August, 1938
† Represents a period of 7 months ending 31st March, 1939

GRAPH SHOWING WAGES PAID



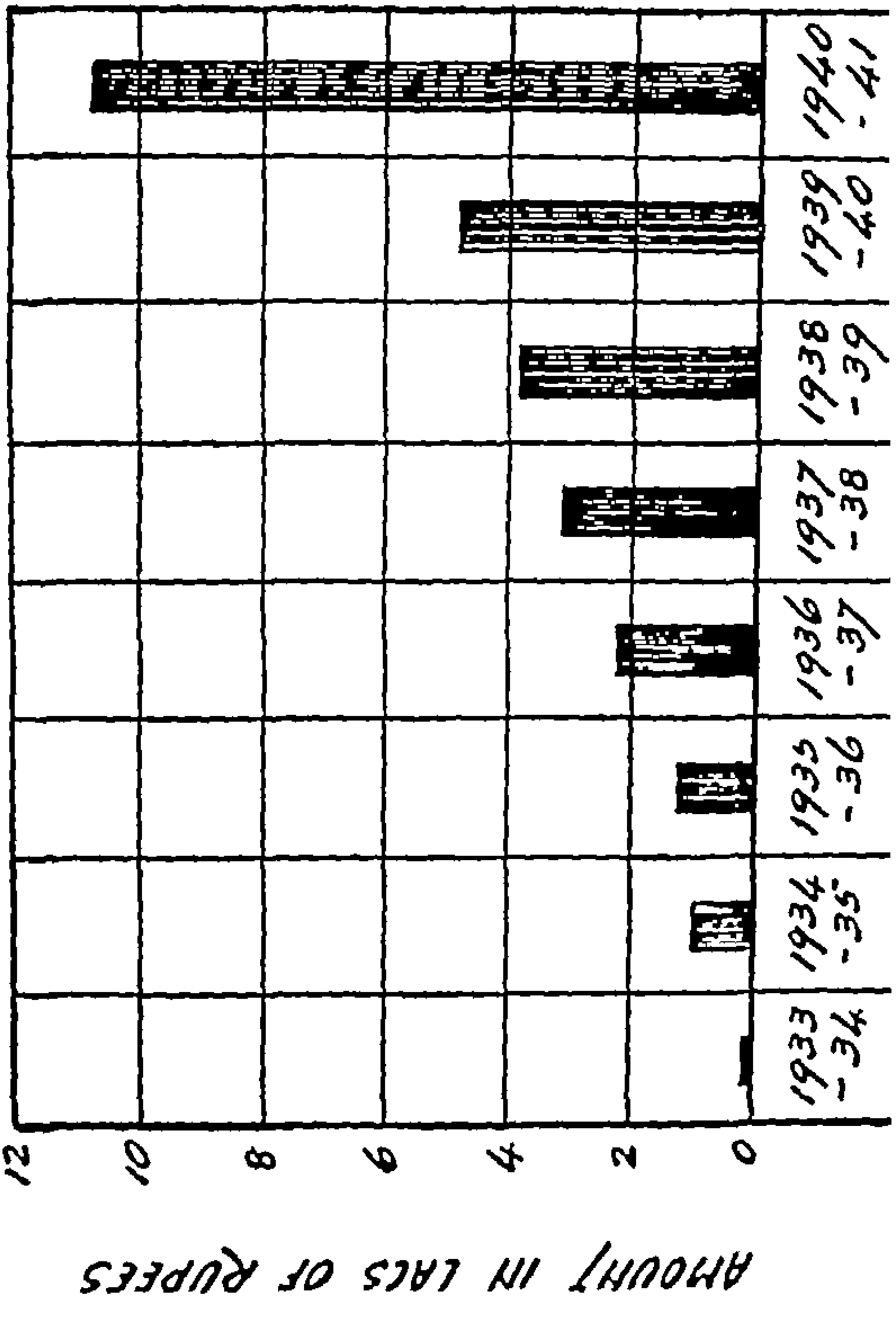
MARSLAND PRICE & CO. LTD

Statement Showing Wages Paid

Period	Wages & Bills Rs
1933-34	1,88,550
1934-35	2,70,875
1935-36	3,57,066
1936-37	3,66,835
*1937-38	3,57,104
†1938-39	2,56,444
1939-40	6,41,135
1940-41	8,91,327

* Represents a period of 14 months ending 31st August, 1938
† Represents a period of 7 months ending 31st March, 1939

GRAPH SHOWING EXCISE DUTY PAID



MARSLAND PRICE & CO LTD.

Statement Showing Excise Duty Paid

Year	Amount Rs
1933-34	12,706
1934-35	96,580
1935-36	1,18,249
1936-37	2,21,367
1937-38	3,08,259
1938-39	3,79,989
1939-40	4,80,307
1940-41	10,67,024

THE RAVALGAON SUGAR FARM LIMITED

Originally the area around Ravalgaon, in Nasik District, was a desolate forest land, having lain fallow on the hands of the Government for the past forty years. The village and its surroundings were practically deserted since the famine of 1870-80 The Government would fain have parted with these lands for the proverbial song Mr Walchand, however, offered to develop this land and his offer was gladly accepted. To the Government it meant at least a regular annual income, in addition to the lump price paid to begin with.

The work on the Ravalgaon farm began about 1923 Originally the produce was gur, tobacco, ground nuts, cotton, etc. and the prices fetched then were Rs. 39 per *palla* of gur and Rs. 390 per *khaudy* for cotton. That was, however, the last best price for almost a decade thence for the history of the subsequent ten years is a story of a progressive deterioration in prices and increasing losses on the farm. An old orthodox farmer described Mr Walchand's farming experiment as an efficient outlet for his profits made in other activities.

AERIAL VIEW OF THE COLONY, RAVALGAON

Meantime waste land had been reclaimed and special water channels laid at considerable cost. The farm had also started growing fruits. The cotton grown in the farm was popular and found a ready market. Except in the matter of financial returns, the farm was in a way looked upon as a model farm In spite of intensive and careful nursing, however, the farm did not show adequate profits even though all possible avenues of developing the estate were explored with great perseverance Most of the soil has only five to eight inches of depth and even to-day in some spots the cane is growing on a bed of soft *murum*. All the operations are, of course, carried out on scientific lines, under expert supervision

The conditions brightened, however, since the sugar industry was given protection (1932), and thereby hangs an interesting tale. The formative meetings of the Imperial Agricultural Research Council were inaugurated in Simla by the then Viceroy, Lord Irwin (now Marquis of Halifax). The Viceroy envisaged a long-range research, which to Mr Walchand, who represented the Indian commercial interests, meant an endless vista of fine talks, garnered with red tape and complacent bureaucratic inactivity When, therefore, a member stood up to thank the Viceroy for his valuable pronouncements, Mr Walchand physically pulled him back into his seat and took possession of the floor himself. In a plain spoken speech, he pressed for the adoption of immediate practical measures The authorities raised various ingenious

difficulties and indulged in usual evasive promises. The attack was, however, ruthlessly pressed forward

Mr. Walchand ultimately succeeded in exacting a promise from Hon. Sir Habibulla to take the earliest possible action. It was almost by the casting vote of one Director of Agriculture that Mr Walchand's motion before the Sugar Committee recommending protection to the industry was adopted. In the first meeting of the Sugar Committee, Mr Burt (since Knighted), the Technical Adviser to the Council, read a specious homily against dangers of protection, but he changed over to protection almost overnight. Subsequent events leading to the protection of sugar manufacturing industry are now common history

Mr Walchand now altered the general agricultural character of the Ravalgaon site to that of sugar-cane farming and sugar manufacture. A factory was built on the site. The capital block in 1934 was Rs. 7,92,562 The capital block employed to-day is Rs. 45,80,350

The crushing capacity of the plant in 1934 was 110 tons, in 1941 it was 600 tons a day Only 17,000 tons of canes were crushed 8 years ago 1,08,830 tons of canes are crushed to-day The recovery was 8·75 in the beginning, which has now been raised to 9·9 The area under crop was 598 acres in 1934, it was 1406 acres in 1941 The average yield per acre was only 30·7 in 1934, but it was 52·9 in 1941 The total tonnage crushed was about 17 000

in the beginning, whereas it is over a lac of tons now. This progress, according to the management, is not very phenomenal, though satisfactory, but the difficulties of securing sufficient quantity of water for the farm has placed a serious bar to further progress. The neighbouring reservoirs and canals of the Irrigation Department have had in the past, a very poor and sometimes even no clientele, and the capital expenditure on these was locked up for a long time. With the development of the Ravalgaon factory, all the water that the Irrigation Department can supply is not sufficient for the needs of the farm. Mr. Walchand is continuously demanding the raising of the dam by the Irrigation Department so that the Ravalgaon farm and factory may achieve the same phenomenal development which is, so to say, the birth-right of every venture that Mr. Walchand puts his hand to.

The whole estate at present is divided into five sectors, each in charge of a graduate in Agriculture. There is a network of telephone lines linking all divisions to facilitate quick work. A railway line has been laid right from the factory site up to Malegaon, the length of the line being 25 miles, built at a cost of Rs 2,60,000. The haulage is done by locomotives and tractors The farm is naturally supporting allied industries in the form of a Dairy, Candy Manufacture and an Oil Mill There are also Hosiery Works as an off-time industry

The Ravalgaon Dairy has at present 900 heads of

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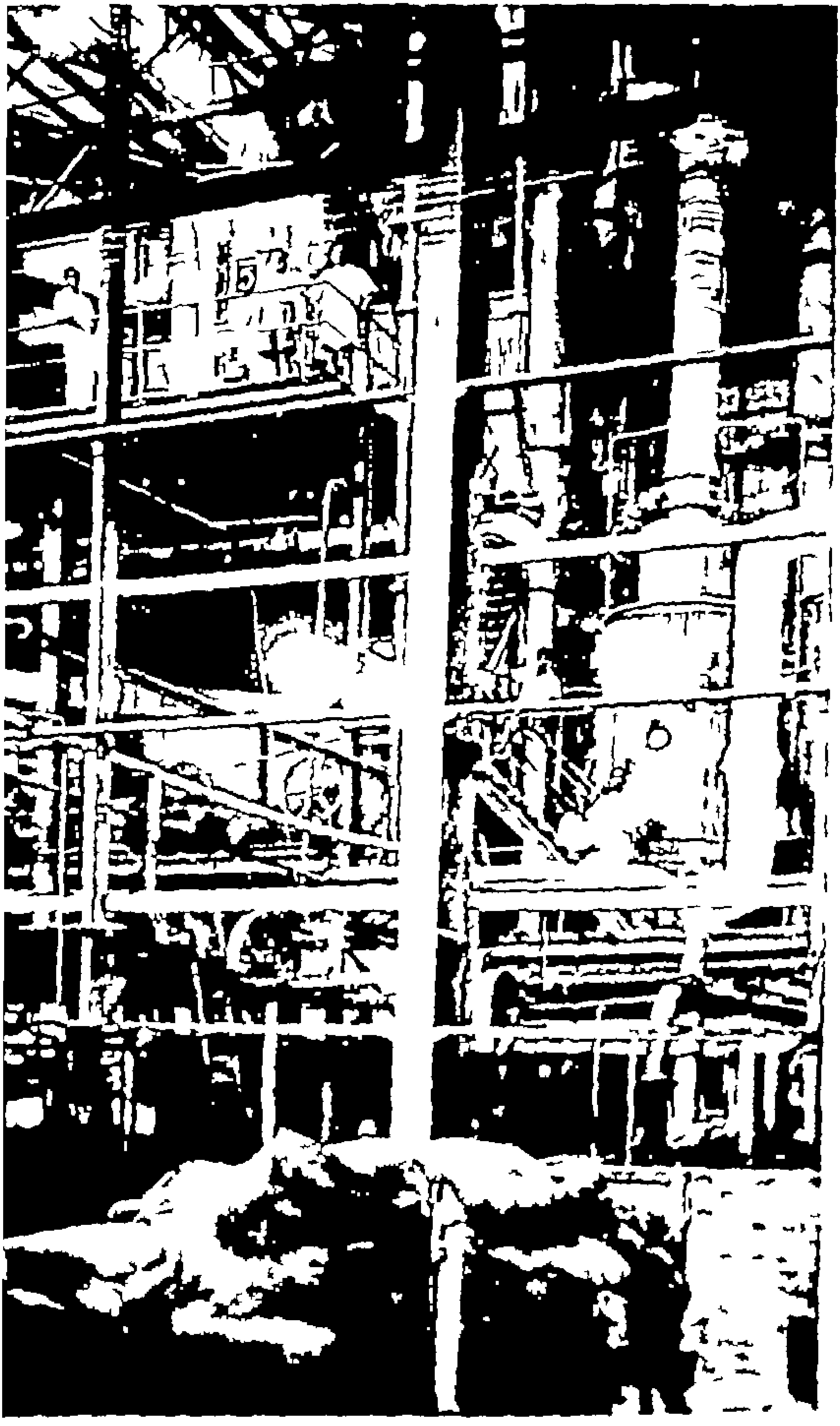
cattle maintaining a standing ratio of about 250 milch animals all through the year The best breeds of cattle have been imported into the farm. A pasteurising plant has been installed and scientifically pasteurised milk is despatched to Bombay where it has created a name for itself This is a pioneer experiment so far as Bombay is concerned and preparations are under way for the manufacture of by products like casein, milk powder, etc. The breaking out of the present war and the consequent scarcity of machinery, has, however, checked these preparations for the time being The cane tops supply food for the cattle and the cattle-dung furnishes manure for the sugar-cane.

A scheme to manufacture sugar-candy has been started under the supervision of expert staff appointed by the Imperial Institute of Sugar Technology and different grades of candy are being produced. This is only a beginning, but in 1941, 300 bags of sugar were melted with a recovery of 96.23 per cent yielding 785 maunds of candy of different grades.

Six oil expellers were also installed in 1940 and ground nut oil was extracted in the year 1941, the quality of which is very superior and it is, therefore, already popular in the market. In the year 1941, 24,635 maunds of ground nuts were crushed giving a recovery of 41.2 per cent by way of 10,148 maunds of oil. Oil cake as a by product is useful as a food for the cattle of the dairy and

DAIRY—RAVALGAON

CANDY SECTION, RAVALGAON



INSIDE THE SUGAR FACTORY, RAVALGAON

as manure for sugar-cane. In 1941, 543 tons of oil-cake was produced. The subsequent failure of the ground-nut crop hampered the working of the oil mill, but it is intended to start manufacture of vegetable ghee as soon as normal conditions are restored, and suitable machinery is available.

Hosiery manufacture was started in 1939 with the object of providing employment to the labourers in the off-season and cotton and woollen goods, specially, pull-overs, boot-laces, etc. are produced by the workers. The breaking out of the war and the consequent scarcity of raw materials has checked the progress of this experiment also.

There is a large trained technical staff consisting of agricultural supervisors, manufacturing chemists and engineers working on the farm and in the factory. There are about 4,000 workers on the site, of which about a thousand are skilled workers. Casual and privilege leave is given according to set rules and at the close of each season workers are given a small bonus, in kind or in cash Quarters are built for the staff with sanitation, light and water laid on. There is a special sanitation department which looks after the hygienic conditions of the colony There is a co-operative store, started in 1936, which provides household necessities to the workers, at comparately low prices Members of the staff are share-holders of the society and a managing committee elected by them is in charge of the store.

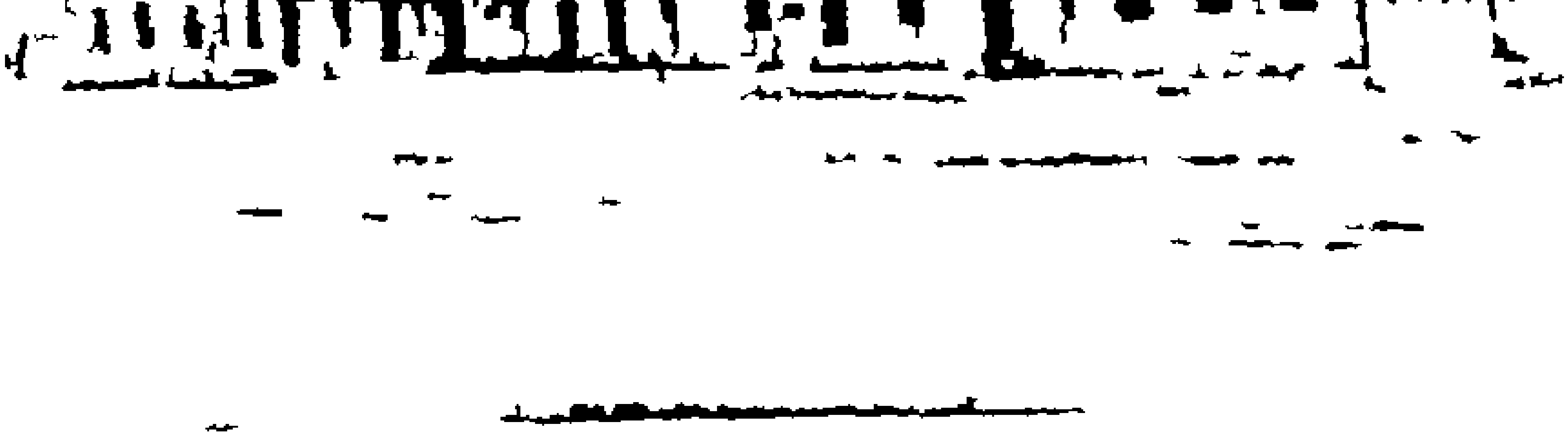
A well laid out public garden is maintained in the heart of the colony and a radio is installed therein. There is a club provided by the management, equipped with games' materials, the two games most popular amongst the staff being cricket and tennis.

There are primary schools at Ravalgaon as also in each of the sectors for the education of the children of the employees. A secondary school up to the Matriculation standard is under contemplation. There is a free dispensary in the colony for the benefit of the staff as well as for the use of the outside public. There is also a Maternity Home. A doctor, a nurse and a mid-wife are attached to these institutions and the daily average attendance at the dispensary is about 300 The dispensary has accommodation for eight in-door patients and is fully furnished with the necessary medical equipment and surgical appliances.

The farm with its various amenities and activities covers a radius of ten miles from the factory and is a happy bee-hive with workers and their families, with the garden, the schools, the dispensary, the maternity home, the club, etc. It is alive the whole day with the bustle of work in the farm and the factory, and with the movements of the tractors, the locomotives, motor lorries etc. There is also a Guest House for the use of visitors—and all this where but a decade ago was only desolation and unreclaimed forest and grim waste land unvisited by man and feared by casual travellers.

IN THE LABORATORY, RAVALGAON

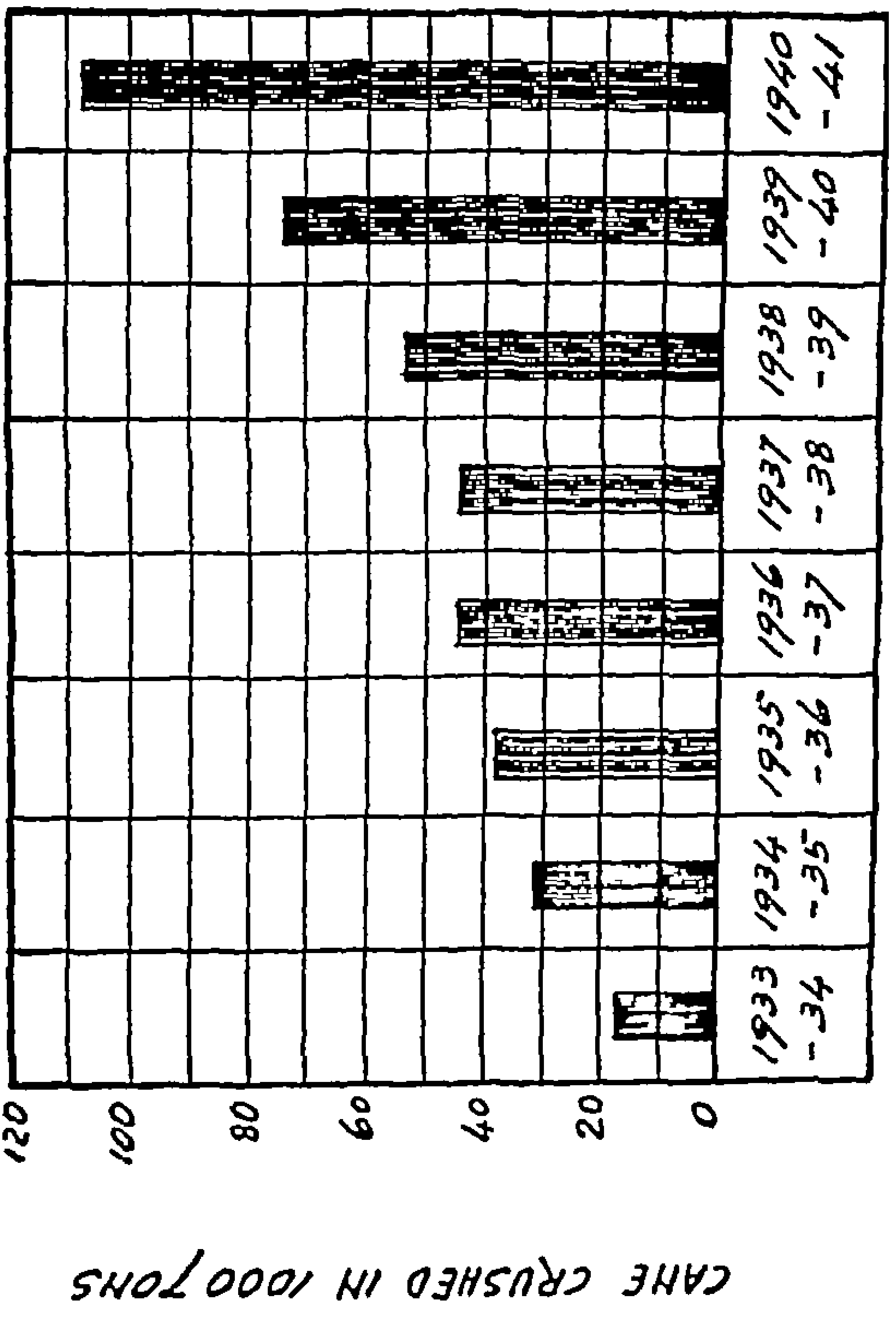
CONFECTIONERY—RAVALGAON



SCHOOL AT RAVALGAON

In 1933 the Ravalgaon farm paid Rs. 11,543 as excise duty. In 1941 it paid Rs. 5,74,211. The wages and salaries in 1942 amounted to Rs. 4,57,209. This is progress indeed and should be a matter of satisfaction to all those, even to the arm-chair economists, who preach development of agriculture as an industry in this vast fallow country.

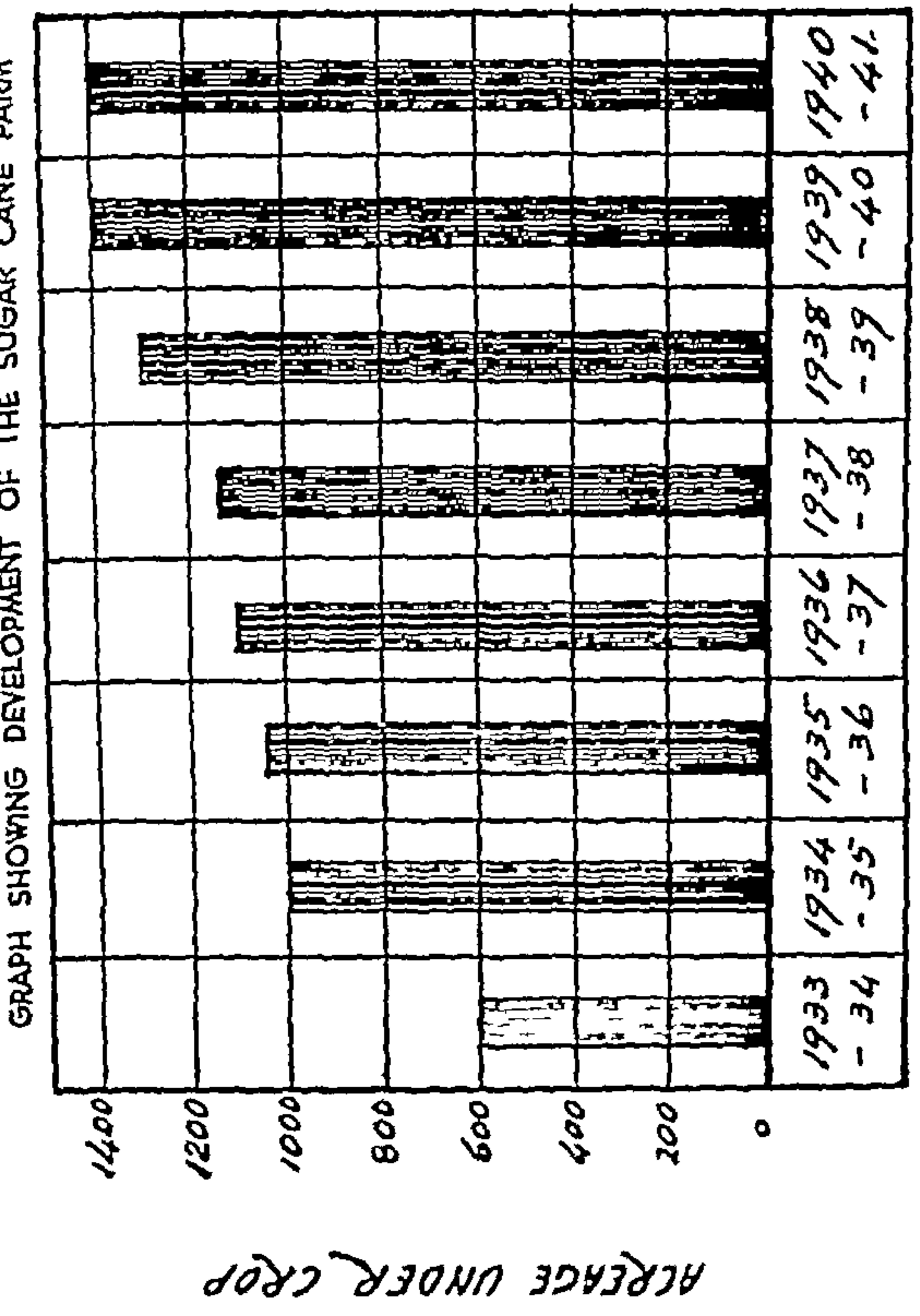
GRAPH SHOWING DEVELOPMENT OF THE SUGAR FACTORY



THE RAVALGAON SUGAR FARM LTD

Statement Showing Development of the Sugar Factory

Season		Capacity of the Plant	Cane crushed	Recovery %
1933-34		110	17,078	8 75
1934-35		200	31,268	10 00
1935-36	..	250	38,651	9 824
1936-37	..	300	44,688	9 880
1937-38	.	300	44,455	10 810
1938-39	..	350	53,560	10 740
1939-40		450	74,227	10 090
1940-41		600	1,07,833	9 909

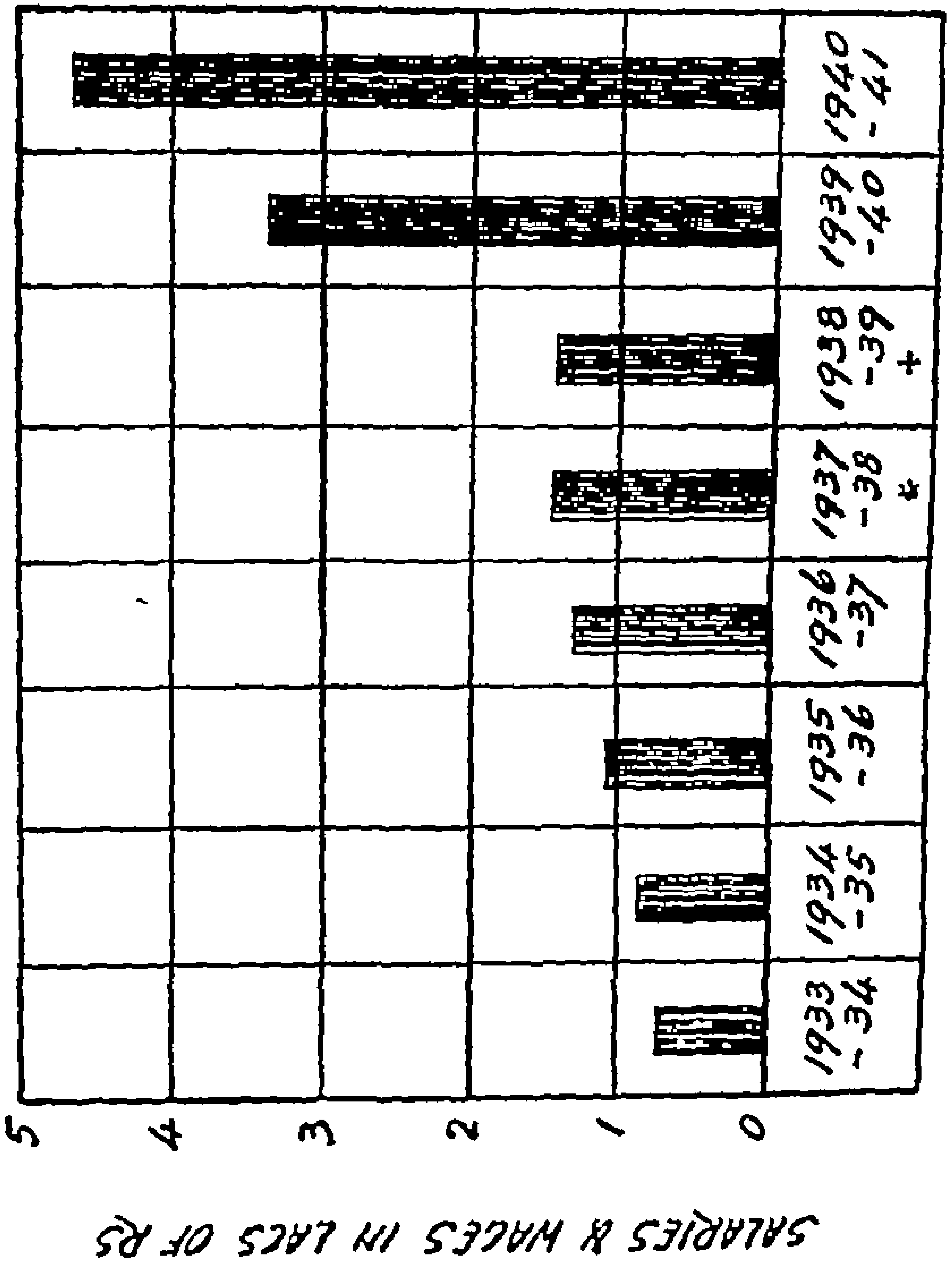

GRAPH SHOWING DEVELOPMENT OF THE SUGAR CANE FARM
1933 - 34
1934 - 35
1935 - 36
1936 - 37
1937 - 38
1938 - 39
1939 - 40
1940 - 41
0
200
400
600
800
1000
1200
1400
ACREAGE UNDER CROP

THE RAVALGAON SUGAR FARM LTD

Statement showing the Development of the Sugar-Cane Farm

Season	Area under crop	Total tonnage crushed	Average yield per acre Tons
1933-34	598	15,408	30·7
1934-35	1005	31,202	34 5
1935-36	1044-20	38,235	40·4
1936-37	1104	42,529	40·1
1937-38	1133-20	42,362	39 7
1938-39	1300	52,474	41·9
1939-40	1401	64,103	47 2
1940-41	1406	73,180	52·9

GRAPH SHOWING SALARIES AND WAGES PAID



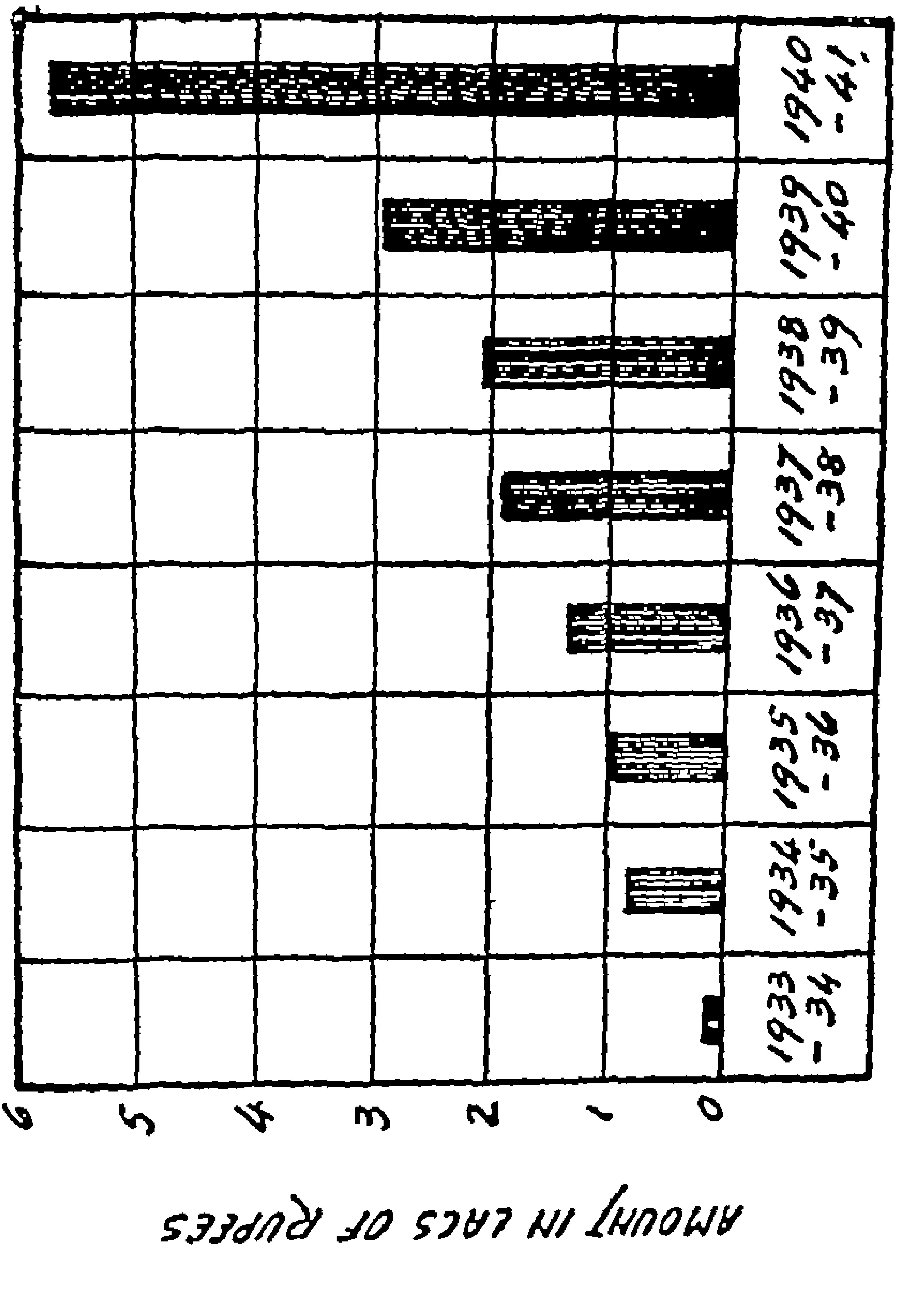
THE RAVALGAON SUGAR FARM LTD.

Statement Showing Salaries and Wages Paid

Year	Salaries and Wages Rs.
1933-34	72,703
1934-35	85,976
1935-36	1,08,080
1936-37	1,29,534
*1937-38	1,45,023
†1938-39	1,43,605
1939-40	3,35,455
1940-41	4,66,477

* Represents a period of 14 months ending 31st August, 1938
† Represents a period of 7 months ending 31st March, 1939

GRAPH SHOWING EXCISE DUTY PAID



THE RAVALGAON SUGAR FARM LTD.

Statement Showing Excise Duty Paid

Year	Amount Rs
1933-34	11,543
1934-35	81,608
1935-36	99,096
1936-37	1,38,920
1937-38	1,91,282
1938-39	2,08,797
1939-40	2,95,179
1940-41	5,74,211

THE "GOLD" AND THE "GUR" STANDARD

When England restored the gold standard after the first World War, steady deflation followed and gold prices began to slump. India being a bonded dependent of Britain the ratio was fixed at 1/6 despite country wide protests. Though the difference between 1/6 and 1/4 is just worth a tuppence the cultivators of India had to face ruination because of this difference. His gur standard was wrecked and its price per *palla* slumped from Rs. 38 lower and lower till it reached Rs. 12 per *palla*. Cotton fell from Rs. 300 to Rs. 200 a *khandy*.

Ravalgaon, then entirely an agricultural farm, faced this crisis and—but for Mr Walchand's persistent efforts and optimism—would have been closed altogether.

ENGINEERING COMPANIES

•

COOPER ENGINEERING LTD.

THE ACME MANUFACTURING CO. LTD.

•

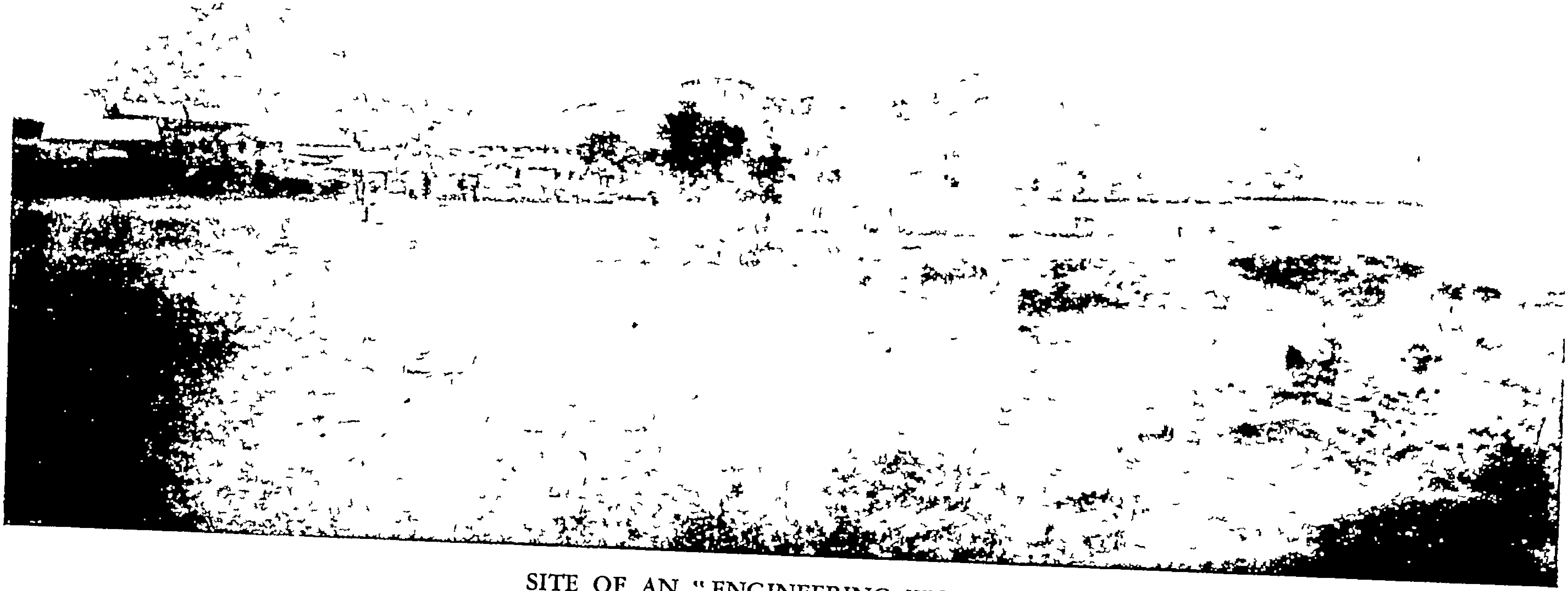
SIR DHANJISHAH B. COOPER, Kt., J.P., M.L.A.
Director Cooper Engineering Ltd.

COOPER ENGINEERING LIMITED

The Satara Industrial Works, later the Cooper Engineering Works, and then the Hindustan Engineering and Implement Co. Ltd. and now the Cooper Engineering Limited, were started in August 1922 at Satara Road, M. S. M. Railway, by Sir Dhanjishah Bomanji Cooper with a view to manufacture agricultural implements and machinery, such as ploughs to suit various types and conditions of soil, sugar-cane crushers, chaff-cutters, water lifts etc. The concern had to face various difficulties in the early years of its existence in introducing its products to the market, but the business progressed with the gradual popularisation of its manufactures through exhibitions, demonstrations etc.

Up to the year 1931 or thereabouts the activities of the Works were confined to the manufacture of the implements and machinery described above. This left the factory with seasonal slacks as the demand for such implements is necessarily periodical and has to depend on agricultural conditions which at best, in this country, are but a gamble in rains.

The company, therefore, in due course, made arrangements with a British organisation to manufacture fly wheels and such other heavy castings for their oil engines in their Works. This gave employment to the Works during slack periods, and made the oil engines cheaper, as the manufacture of their heavy parts in India effected a saving in ocean freights and import duties on these parts. The firm also made experiments into the manufacture of slow speed horizontal oil engines, securing drawings, designs and patterns etc. from abroad The plans for the manufacture of such oil engines were completed about 1933 and a technical expert was employed on the job New machinery was added and some modified at the Workshop itself The first 15 H P Engine was completed and tested within six weeks of the actual starting of the manufacture. The engineering workshop now became a centre of interest to many a businessman and industrialist who visited the works and expressed satisfaction at this successful enterprise of manufacturing oil engines in India. The capacity of the plant and machinery was yet very limited and whatever engines that were manufactured always found a ready market. A year after, patterns and drawings for other types of engines were imported and the company began manufacturing 7 H P, 9½ H P 12 H.P and 18 H P engines also Various parts of engines had to be imported for some time, such as cylinder heads, governors, connecting rod bearings, valves etc. All these are now manufactured at the Works.



SITE OF AN "ENGINEERING WORKS"

A private limited company known as The Hindustan Engineering and Implement Co. Ltd. was formed in 1935 with a view to further expand the business of manufacturing oil engines. Additional machinery was imported and during the next five years the production of oil engines as well as the sales and services were appreciably increased.

In 1937 the Works took up the manufacture of machine-tools* such as shaping machines and lathes Soon after textile machinery like looms and dobbies were manufactured in the Works. Sugar machinery was also manufactured. It was in the year 1940 that the possibility of the manufacture of oil engines and machine tools on a large scale was brought to the notice of Mr. Walchand Hirachand, who, after carefully examining all the possibilities and scope for expansion of the manufactures that were already started, gave a new impetus to the industry and the workshop now became the Cooper Engineering Limited. The capital of the company was increased.

Contact was made with the Meehanite Metal Corporation of America and arrangements were made to start this additional activity also The main buildings of the machine shops and foundery which were extended in the year 1935 were further expanded for laying down additional plant and machinery and during the succeeding

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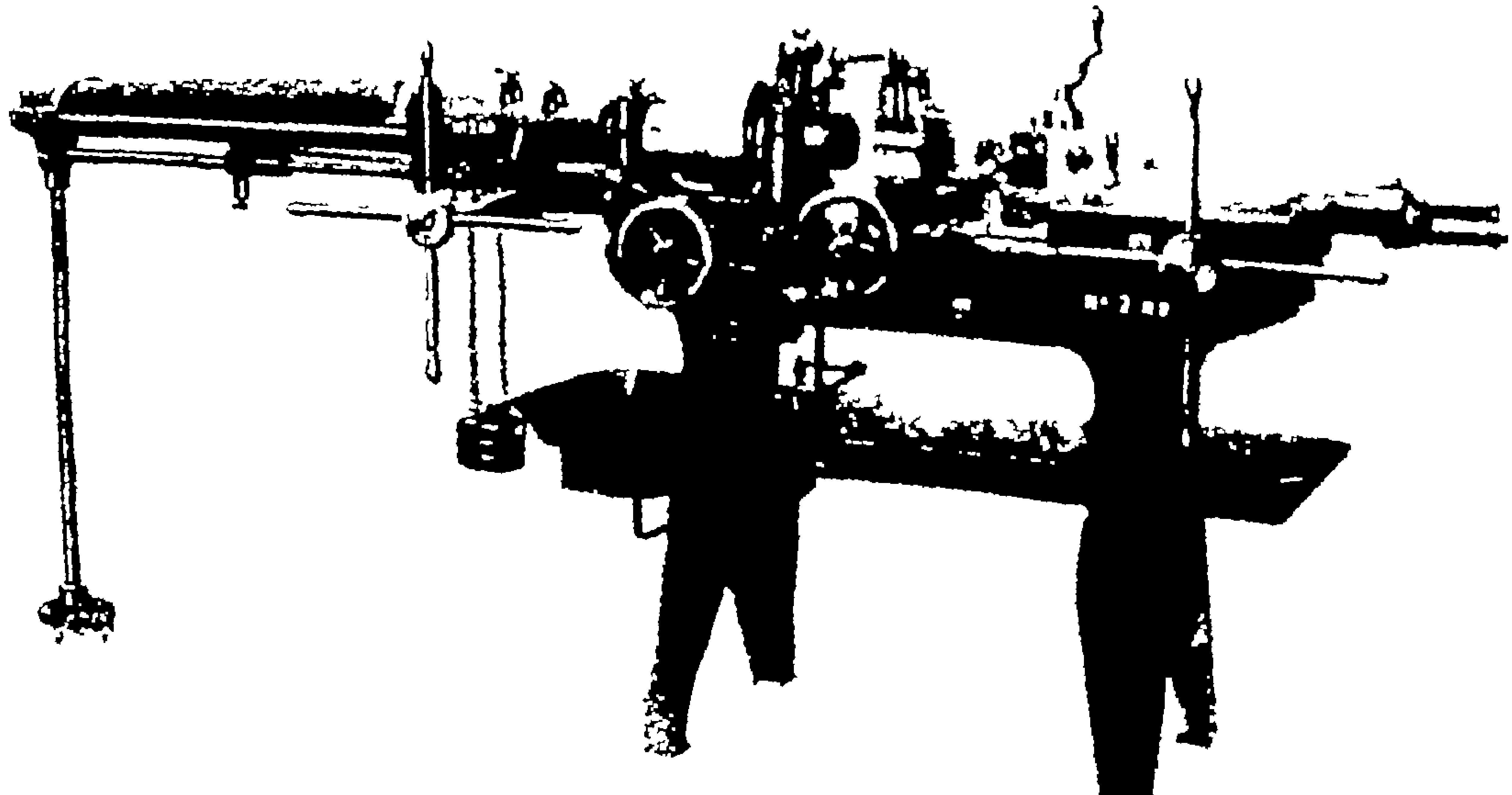
* Machine-tools are machines for doing work with cutting tools etc

two years the workshop was equipped with whatever improved and key machines that were obtainable.

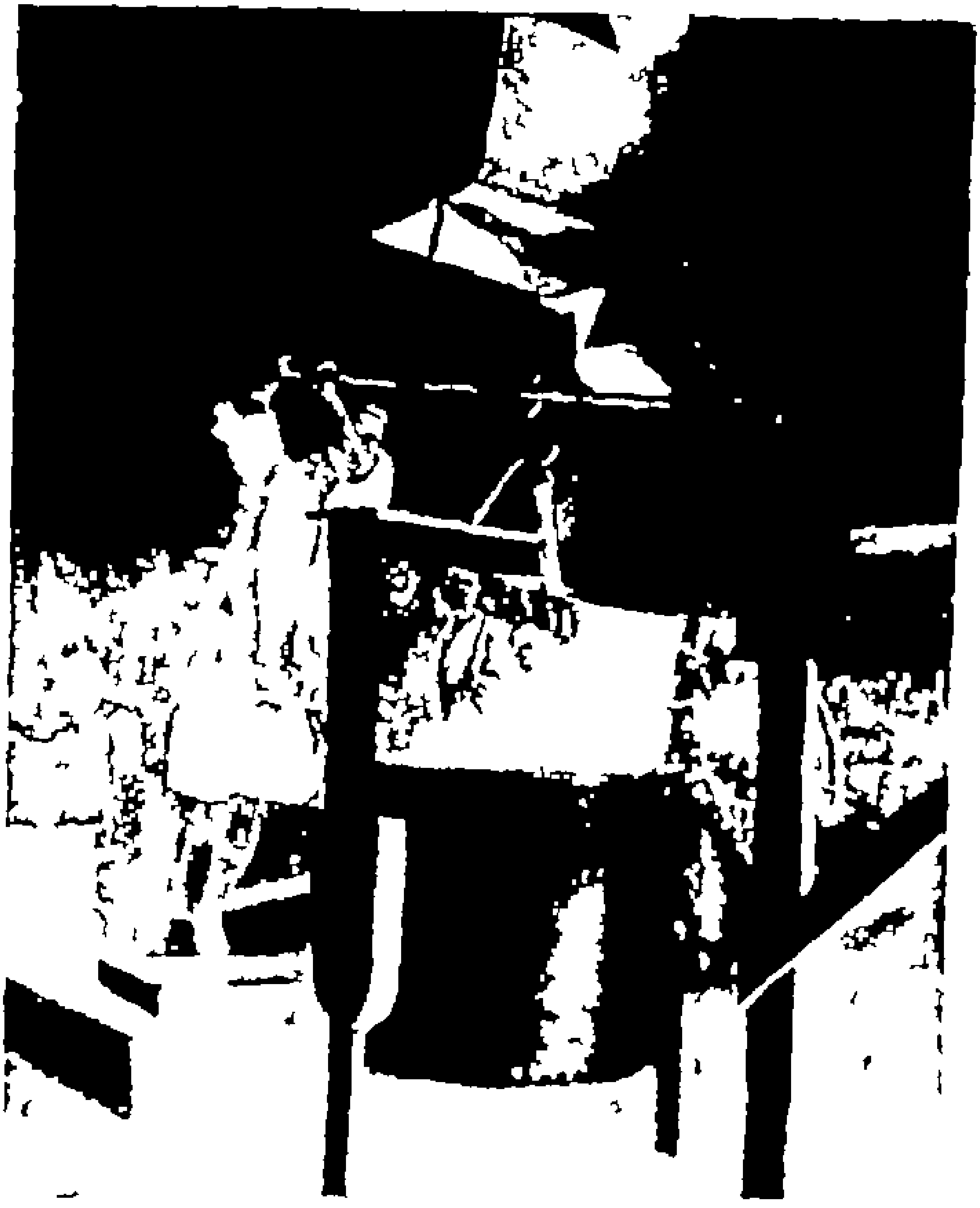
The workshop to-day has considerable facilities for carrying out precision work. The largest size of oil engine manufactured up to 1938 was of 50 H.P, in the year 1940 twin-cylinder engine of 100 H.P was manufactured successfully. Expert advice was procured from some best machine-tool manufacturers abroad for the development of machine-tools, patterns, drawings, designs etc., and now the company is able to manufacture Capstain lathes, ball bearing drilling machines, most modern types of lathes and high speed shaping machines on a commercial scale.

Reference has already been made to the arrangement made by the company with the Meehanite Metal Corporation of America, and a start was made in 1941 for the development of Meehanite founderies. There is a considerable scope for Meehanite in India as it replaces many of the steel castings employed in various industries. Technical personnel having experience of meehanite is employed by the Works and facilities for laboratory research are also provided.

Recently the company has increased its production capacity to nearly three times of what it was only a couple of years ago. The factory itself covers a site of six acres and the Works occupy an area of about 35 acres, in the close vicinity of the Satara Road railway station which facilitates transport. In 1922 there were about fifty hands



A CAPSTAN LATHE—MADE IN INDIA



MEEHANITE STEEL FURNACE

ooper Engineering Ltd.

in the factory. To-day there are about a thousand. The workers are housed in special quarters and the factory is doing pioneer work in the manufacture of various types of internal combustion engines and machine-tools.

THE ACME MANUFACTURING COMPANY LIMITED

The company was started during the period of industrial activity that followed the 1914-18 war, to manufacture motor-car spares and accessories and sundry other hardware articles required for use in buildings.

The working of the company showed losses over a long period and the nominal share capital of the company was reduced in 1938 from Rs. 20,00 000 to Rs. 14,68,010.

It was in June 1941 that Mr Walchand took over the concern and immediately increased the capital by Rs. 10 00 000 In addition to the existing factory he established another factory for the manufacture of the articles which were greatly in demand on account of the war conditions. The turnover of the company in September 1941 was about Rs. 49,339 per month. Within a short period, under the management of Mr Walchand, it has been increased four times. The capital block of the company now amounts to Rs. 3,34 433 and the workshop is being gradually enlarged so as to enable it to manufacture hardware such as hinges, tower bolts, handles,

viz. railway wagons, [illegible] vacuum brake fittings, parcel vans, [illegible] leather seats, bright bolts and nuts, [illegible] and brass [illegible] etc. [illegible] manufacture art metal works in brass and bronze like grills, railings, balustrades etc.

The company has already made satisfactory progress under the management of Mr. Walchand and like other concerns taken over by him is bound to expand in course of time.

Mr. Walchand's contracts even in earlier days were often great as projects, but they soon became stupend ous.

Even in mid twenties a single project included

A tramway line	65 miles in length
72" Pipe line	55 miles in length
57" Pipe line	14 miles in length
Bridges and Culverts	150 in number
Earthwork—cuttings and embankments	*4,000 000 tons*

Another work, also belonging to those days, included

Material removed	9,500,000 tons
Hard Rock removed	600,000 tons
Gelignite used	200,000 lbs.
Special fuse	400 miles
Detonators	500,000
Arch lining of tunnels	500,000 concrete blocks
Air and water pipes	5 miles
Light railway	10 miles
Tunnel section area	*"Largest in the world"*

TRANSPORT INDUSTRIES

●

HINDUSTAN AIRCRAFT LTD.

AN AUTOMOBILE INDUSTRY FOR INDIA

THE SCINDIA STEAM NAVIGATION CO. LTD.

●

Mr. LALCHAND HIRACHAND
Managing Director, The Ravalgaon Sugar Farm Ltd.
Formerly Managing Director, Hindustan Aircraft Ltd.

HINDUSTAN AIRCRAFT LIMITED

The prologue to the establishment of the aircraft industry in India is as inspiring as it is interesting. The idea of establishing such an industry in India took shape in the swift and lightning manner which has often characterised the birth of industries controlled by Mr. Walchand.

Before embarking on a sea-plane from San Francisco for India via China, Mr. Walchand bought local newspapers on the quay-side and read therein a report of an interview given by Mr. Pawley, an American businessman engaged in manufacturing aircraft for the Chinese Government. He also noted that Mr Pawley was travelling by the same sea-plane and lost no time in getting in touch with him Fifth day out from 'Frisco, the plane made Manila and a cable went out from Mr Walchand to the Commander-in-Chief in India seeking an appointment for himself and Mr. Pawley to discuss the establishment of an aircraft industry in India.

Thereafter Mr. Walchand continued cabling reminders from various ports of call en-route to India, but did not receive even an acknowledgment from the authorities.

Such attitude is so common with the Government of India that it did not deter Mr Walchand in the least. He, therefore, persisted in pressing his point home to an inattentive and hidebound government. This state of affairs continued from day to day right up to June 1940, though Mr Walchand had arrived in India in November 1939 By that time, however, the war situation had considerably deteriorated and the Government of India was gradually getting more and more aware of that, now, very broad fact. They then remembered Mr Walchand s proposal and sought him out. They desired Mr Walchand to arrange for Mr Pawley and other experts to fly immediately to India. After that things moved at break neck speed and even Mr Walchand s critics in the government were pleasantly surprised at the swiftness with which Mr Walchand was acting.

They did something more. They even tried to emulate his spirit, for once, almost took a leaf from Mr Walchand s book and immediately cabled their sympathetic views to His Majesty s Government The red tape, however being as ubiquitous in Britain as it is in Simla and Delhi a good deal of time was wasted in exchange of long winded cablegrams. Finally His Majesty s Government agreed to the establishment of aircraft industry in India provided raw materials were obtained from sources other than America. Even this was agreed to though it spelt considerable delay in the establishment of an industry so vital and so urgent to the

defence of the country and of the Empire The necessary agreement for the establishment of the industry was signed by the Government of India in December, 1940, more than a year after Mr. Walchand had put the question and six months after they had thought out a reply.

It is not necessary to describe here how the attempt to interest the Scindias in and to harness their resources and organisation for the immediate establishment of the industry could not succeed. Mr. Walchand, however, succeeded in interesting the Mysore State in the starting of the industry under joint aegis, and the foundation of the aircraft manufacturing industry was well and truly laid in a very short time. The whole country welcomed this step as a magnificent stride towards the future industrialisation of the country It enabled India to look forward to a position of self-dependence, to a certain extent, in the matter not only of civil aviation and of flying services, but also with regard to its aerial defences.

The 'Ifs' and 'Buts' of the various critics within and outside the Government of India had already vanished into thin air and despite the onerous conditions laid down by His Majesty's Government, aircraft manufacture was begun in right earnest immediately the factory got going. India was thus put upon the map of the world—the Industrial World—by the establishment of a heavy industry of this type and magnitude, despite heavy odds, solely because of the dynamic energy and the courageous vision

of one of her few, very few great industrialists. As the Government themselves have stated publicly, the company was founded as a commercial enterprise, *by the energy and initiative of Mr Walchand Hirachand"*

The aircraft manufacture is a supremely complex industry It involves the multiple employment of every kind of workshop and factory technique. It demands infallible precision, highest skill and soundest quality in the manufacture of every single part, big or small, that goes in to build a modern aircraft. An average automobile, it is said, has 3,000 different parts. An average airplane has 30,000 different parts. A modern bomber has more than 2,00 000 different parts. An aircraft factory as a single unit, therefore, is a stupendous undertaking

Even where this industry is highly developed, as in America, the main factories are supported by hundreds of ancillary factories, which restrict themselves to the manufacture of individual parts, accessories, castings, machine parts or at utmost to the manufacture of a group of parts known as the sub-assemblies and supply them, all ready for general assembly, to the main factories. Hindustan Aircraft has to do the work of some of the ancillaries itself and so is working under handicaps unknown to similar factories elsewhere.

The factory, during its brief career, so far, has turned out some of the modern types of craft, which according

to experts, would be a matter of pride to any factory. The successful launching of this industry in so short a time, and with such creditable results, is an eloquent tribute to the genius and organisation that launched it and to the Indian personnel and Indian ability that has, in co-operation with foreign experts, made it a record success in record time.

It may be added that the company, from its very inception, was placed under the direct control of Mr. Lalchand Hirachand and its personnel and organisation swiftly rose to the position of those of a first class factory of its kind anywhere in the world. For obvious reasons details of the work done by the factory hitherto cannot be given to-day, but the progress made by this factory has been admitted to be phenomenal by all those who can speak with authority on this matter.

There is, however, an epilogue to this story. Let the Government communique, dated 2nd April, 1942 form that epilogue :

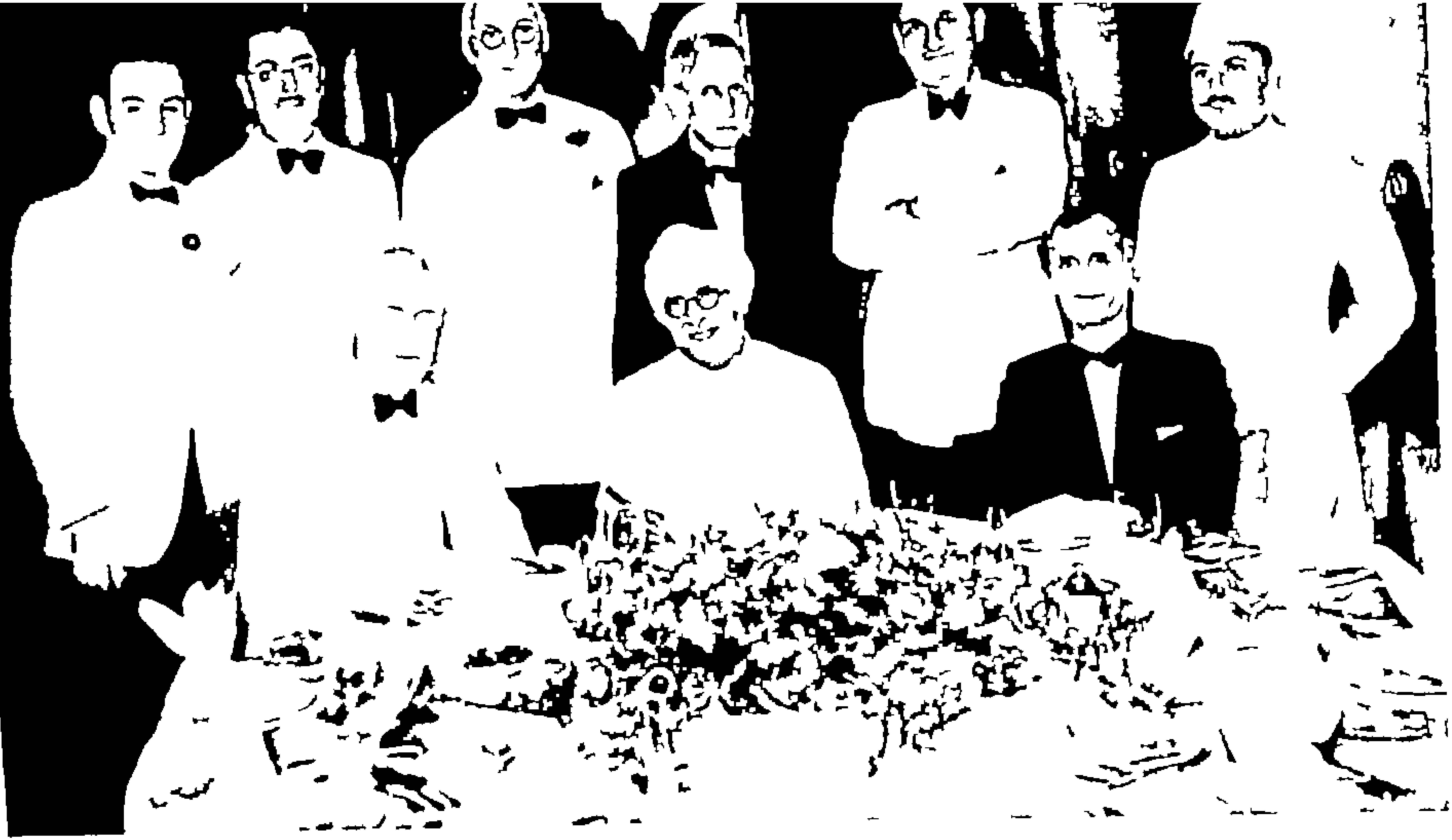
> "As the public are aware, the capital of Hindustan Aircraft Ltd. has been held jointly by the Government of India, the Mysore Government and Mr Walchand Hirachand and his associates, the future of the company has recently come up for review in the light of the present war situation, says a press communique
>
> "The Company was founded as a commercial enterprise by the energy and initiative of Mr Walchand Hirachand and the intention was that it should undertake for the Government of India the production of aircraft at prices related to the price of similar aircraft manufactured in America and

landed complete in India, but at the same time allowing for a fair margin of profit. Experience has shown that the financial risks and administrative complications involved in commercial operation are such that the company's factory must —for the period of the war at least—be operated as a Government concern.

"After a very careful consideration of the business prospects of the company Mr Walchand Hirachand and his business associates have accepted an offer from the Government of India for the purchase of their interests.

"The Mysore Government, while retaining a financial interest in the company have agreed to waive the right to share in the active management for the period of the war and a year or two thereafter in order to facilitate the operation of the factory as a Government concern.

The co-sharers of the original enterprise including the Government of India—wish to make it clear that had commercial operation in the ordinary sense been possible, the original plan would have been continued. They have, however, been forced to the conclusion that in the present conditions the agreed solution outlined above is in the best interests of all concerned."



MEN BEHIND THE AUTOMOBILE PROJECT
Left to Right (Standing) 1 Mr Trainer, 2 Mr Khatau 3 Mr Davis, 4 Sir M Visvesvaraya, 5 Mr Tulsidas, 6 Mr Lalchand Hirachand

AN AUTOMOBILE INDUSTRY FOR INDIA

The main credit for evolving the idea of establishing an Automobile manufacturing Plant in India goes to Sir M. Visvesvaraya, who has been eminently responsible for the creation of a progressive outlook on the question of general industrialisation of the country. He had been striving, however, for the establishment of this industry for some years before the idea was given a great and something approaching a concrete shape by Mr. Walchand Hirachand, in about 1939, though the scheme of Sir M. Visvesvaraya, had been examined by different industrialists of the country at various times Several meetings, for instance, of prominent businessmen were *held in Bombay in 1935 to consider the proposal of* starting an Auto factory in India and Sir M. Visvesvaraya subsequently undertook a tour to Europe to investigate the scope and prospects of a scheme suitable to Indian conditions His first report was made in 1936 and was circulated to leading businessmen interested in the project. Copies were also sent to the Government of India and the Government of Bombay in the same year, as it was felt that government support was absolutely essential if the project was to be successfully launched

It was not, however, till 1939 that the Government of Bombay, being the Congress Ministry, showed interest in this industry and was even prepared to support its establishment in Bombay by offering assistance on certain conditions provided the industry was established under the aeges of industrialists of repute. When, therefore, Mr Walchand undertook to proceed with the preliminaries to the establishment of a plant, the then Finance Minister of the Bombay Government offered a guarantee of three or three and a half per cent interest on the estimated capital of a crore and a half of rupees, provided certain stated conditions were fulfilled The factory had to be set up and operated by a firm of Managing Agents. Mr Walchand offered to form such a firm of Managing Agents and Walchand & Co undertook to work the industry He obtained from the Bombay Government the loan of the services of a high technical officer, Mr P B Advani, the Director of Industries with the Government of Bombay and took him to America to make arrangements with a leading Automobile firm for necessary technical help and machinery

The peculiar conditions under which the great American automobile companies agree to co-operate in the manufacture of cars in other countries had to be taken into consideration while negotiating with them for the establishment of this industry in India. The organisation of Mr Henry Ford, for example, having given the British Empire rights to the Canadian Ford Company and

Mr. Ford has a majority interest in its capital. There are, in fact, 21 foreign countries in which the organisations of Mr. Ford are associated with local factories and in each one of them Mr Ford holds a controlling interest. In the London Ford Company Mr. Ford had 67 per cent interest in 1939 and in the German Ford Company he was said to have 75 per cent interest Mr Ford, then, could not be willing to associate with or help an Indian Auto company unless he had a controlling interest. What is true about the Ford is true also about all great Auto-Builders of repute This was the first great difficulty to be got over, as Mr. Walchand has always been averse, on principle, to allow non-Indians to have any interest, much less a controlling interest, in what may be termed the basic industries of the country

Mr Walchand's scheme was, however, carefully examined by several experts of Mr. Ford's organisation, jointly and independently, and after the details of the scheme were personally explained by Mr. Walchand, the Executives of the Ford Company were, if anything, eager to go ahead with the scheme. Mr. Henry Ford is considered a typical representative of the American businessmen and legends have grown around his name to illustrate his swiftness, his organising ability, his doggedness to achieve success and his overwhelming dash and courage in overcoming difficulties. That Mr. Walchand could have so easily succeeded in convincing the highest responsible Executives of Mr. Ford of the

workability and soundness of his scheme speaks volumes about the ability and the vision of Mr Walchand, and the thoroughness of his scheme. Mr. Ford, as mentioned above, has made it almost his religion that he should at least have 51 per cent of the shareholding and the consequent control, before he co-operates with any scheme. That was the stumbling block because Mr Walchand also has made it a point of religion that he should not, could not and would not allow a foreigner to have such majority holding or the control arising therefrom. After making considerable progress in his talks with the Fords, Mr Walchand had perforce to bid them good bye with regrets on both sides. Upto now the conversations were being carried out between Mr Walchand and Mr Advani on one side and certain very high responsible Executives of the Fords on the other So far as Mr Walchand was concerned the negotiations had broken down and taking them as such, one day after a prolonged talk, he returned to his hotel in Detroit. He, however received a phone call to return immediately to meet Mr Henry Ford himself who evidently was impressed enough from what he had heard from his colleagues about Mr Walchand's scheme and his ability to work it successfully Mr Ford agreed to the basis suggested by Mr Walchand. The scheme was proceeded with and things started taking shape The negotiations broke off however, as the Managing Director of their Canadian Company a Canadian, refused to agree with the Fords to give the Indian rights to a concern owned, controlled and managed by Indians. It

may be mentioned here in passing that there was a stage when Mr. Walchand offered even to personally address either the shareholders of the Canadian Company, or prominent members amongst them to convince them that the basis of co-operation between the two organisations as outlined by him would be in their interests also.

After the Fords withdrew, negotiations had to be opened with another American factory, to wit, the equally famous Chrysler Corporation, of Detroit, and were successfully concluded when after pourparlers extending over several months, an agreement was entered into between Mr. Walchand and the Chryslers, whereby the firm undertook to give, on royalty basis, all necessary help to the Agents to establish a factory in Bombay for the manufacture of motor-cars and mortor-trucks. The final proposals contemplated the manufacture of 11,000 motor vehicles in the first instance and 20,000 units eventually, with the same plant.

But India is not America, and in India there is what is for the sake of historical convenience and political fiction, called the 'Indian' Government, who had all along treated the question of this industry in a spirit of irresponsible complacency and even when Mr. Walchand approached them equipped with all necessary resources, further strengthened by the promised co-operation of the great Automobile Corporation of America, the Government could not, would not, and did not change its mental or material attitude.

As mentioned above, it was as early as May, 1936 that the Government of India was approached by Sir M Visvesvaraya for initial support and help for the starting of this industry What was asked for, then, was a clear statement from the government that they welcomed the effort to start the industry, and the assurance that they would be prepared to go to the rescue of the industry if it found itself in difficulties. After several reminders were sent, the then Commerce Member in reply, drew a flaming red herring in the path of the would be promoters, in the sacred name of Protection with Discrimination and stated his inability to do anything in the matter unless a Tariff Board enquiry recommended support to the industry And a Tariff Board enquiry could not be held on account of a technical Red Tape difficulty that the Tariff Board could enquire into an industry that was already established, and was in difficulties. Thus the government cosily withdrew into a vicious circle. It was all very comfortably clear No support without previous enquiry by a Tariff Board, and no enquiry by a Tariff Board, unless the industry had not only been started but had properly walked into waters beyond its depth. If anyone doubted the legality of this enunciation he could just read the relevant resolution adopted by the Legislative Assembly on the 16th February 1923 anent the policy followed by the Government of India in such matters. Sir M Visvesvaraya then approached His Excellency the Viceroy, and after several reminders was referred back to the reply already sent by the Commerce Department. Thus

the question went on merrily from pillar to post till in 1939 it was put upon a more concrete basis by the restless activities of Mr. Walchand.

Reference has already been made to the offer of the Bombay Government for a guarantee of three or three and half per cent return on invested capital. One of the conditions precedent to such support, however, was that the promoters should obtain from the Government of India the following two concessions, which they had previously applied for, namely, that the revenue duty of 37½ per cent on motor vehicles and parts will not be lowered for a term of ten years ; and that a rebate will be granted on the duty paid on any imported special parts used in the manufacture of automobiles in India. The Congress Ministry, however, agreed to waive this condition attached to their offer of guarantee when the promoters informed them that the Government of India had been pleased to state that it was impossible for them to give the assurances asked for. The Congress Ministry went out of office in November 1939, but even the personal administration of the Governor that followed was willing to ratify the promise of the preceding government provided the Government of India agreed that the industry would help the 'war effort'. The Government of India in a communique issued by the Commerce Department on 16th December, 1940, declared that the industry would not be of assistance to the war effort.

The manufacture of automobiles, airplanes and ships,

and the manufacture of all those machines and tools that an automobile factory, or an air plane factory or a shipbuilding yard are capable of turning out were and are being feverishly and hectically encouraged in other countries of the Empire as war effort. This fact, however, had no significance at all for the Government of India. Sir M. Visvesvaraya pointed out to the government in January, 1940, that the Commonwealth of Australia, for example, had decided to give a subsidy upto one and a half million pounds to entrepreneurs in Australia to encourage production of complete motor-cars in that country Such comparisons between the National Governments of the Dominions were now getting very persistent and the Government of India, like the last famous Queen of England, were simply not amused. Meantime their communique of the 16th December, 1940, had its desired effect and the Bombay Government informed the promoters that they could not give the financial guarantees desired or lend any other support to a scheme which must so largely depend upon the active co-operation of the Government of India, but that when the present obstacles were removed the government will be willing to give its sympathetic consideration to a fresh request for support to the scheme

Baulked in their efforts to get the support which they had expected from the Bombay Government the promoters opened negotiations in April 1941 with the Government of Mysore who from the very start expressed themselves

willing to render assistance if Mr. Walchand undertook to establish the industry within that State. With this helpful attitude of the ever-progressive State of Mysore, the establishment of the automobile industry again seemed to be within reach of the country, through, of course, the dauntless efforts of Mr. Walchand. But Mr. Walchand had not counted upon the capacity of the Government of India to do their worst where the development of such basic industries in India was concerned. The India Government interfered with the Mysore scheme and discouraged its establishment even in that State on the grounds that the starting of such a factory at this juncture would impede war effort of the Government of India. It is not a secret now, that the unusual character of this interference was resented by Sir Mirza M Ismail, the farsighted and statesman-like Dewan of that State and as a protest against it, he tendered resignation of his high office.

The Government of India have denied that they ever interfered with the discretion of the Mysore Government. But Sir M. Visvesvaraya, whose reputation as a man that weighs every word that he utters or writes is unimplacable, has publicly stated that he is "personally aware that on behalf of the Government of India letters were written by their representative, advising the Dewan of that State to agree to the abandonment of the scheme." The sabotage of this scheme, even in Mysore, leaves no doubt about the intentions of the Government of India to hamper the

growth of heavy industries in India and the only conclusion that is inevitably forced upon the people is that the Government of India's chief and only concern is to carry out the behests of the non Indian industrialists, who desire that India should ever remain in economic bondage to them so that they can exploit the vast resources of the country as exclusively in the future as they have done in the past.

It has been observed by an eminent historian that the outstanding quality of the Britisher that gives him eventual success even after disastrous reverses, is that he never knows when he is defeated. This is true of Mr Walchand also. He never knows when he is beaten. Baulked in his efforts to establish the Auto factory in Mysore, he again approached the Government of India, with his proposals revised to suit the new conditions that had arisen out of the entry of Soviet Russia into the war against Germany and the consequent increase in demand for army vehicles. He now proposed that if allowed to establish the factory he would restrict himself to the production of Army vehicles only, and hoped that this would remove any obstacle, real or imaginary, to his factory being regarded as a part of the war effort But the government was adamant. The objection was now based on military reasons The military authorities, it was stated, were not willing to disturb their present arrangements, which were based on the use of two makes of cars only the Fords and the

Chevrolets. They were not willing to add a third type, namely, the Plymouth, which the Chrysler Corporation, Mr. Walchand's associates, manufactured. They were not prepared to meet difficulties that might arise for want of spares and equipments. Mr. Walchand offered to stock any number of spares indicated, in India, to meet any contingency. But the government remained unmoved, and Mr. Walchand's offer, which was an effective answer to all their objections, remained ignored. To cap this part of the story it is only necessary to mention that it is understood that under the 'Lease and Lend' policy of the United States of America, the Indian Army has been supplied and is now actually using several thousand units of the trucks produced by the Chrysler Corporation and even trucks of still another make ! This can be better left here without comments, for its significance is so obvious. India is a dependency and has a 'dependency' government !

There is a strange variety in the shifting reasons given by the government from time to time for not supporting the establishment of the auto industry in India. First the government found it impossible to give any assurance whatsoever with regard to the continuance of 37½ per cent revenue duty on motor-cars and motor car parts. Then the word 'protection' was made the basis of a serious enunciation of a do-nothing policy and the subject of a vicious circle under the shelter of the government order on the Report of the Fiscal Commission

of 1921 22 pertaining to Tariff Board enquiry After that the government declined to consider the manufacture of automobiles in India as a part of the war effort or even as a help to war effort. They then trotted out all manner of difficulties, that the skilled labour required for military works might be diverted, that shipping for importing machinery and tools might not be available, that difficulties might be experienced in granting Priority Certificates and providing the necessary Dollar Exchange, and so on and so forth, as if in the opinion of the Government of India the resources of this vast country are unequal to the working of a small automobile factory intended to give employment to about 2000 workmen and to produce 11,000 to 15,000 vehicles a year

In spite of repeated assurances to the contrary the government have persistently insisted upon the unconscionable argument that the object of the promoters was merely to set up an Assembly Plant. It is interesting to note that the promoters had adopted in this case, on the advice of experts the procedure and practice which is normally adopted in any country where automobile manufacture is initiated. As, however the government repeated *ad nauseam* the argument that the factory would be only an assembly plant, the promoters even offered to omit the assembling altogether, until the complete plant was set up and ready for operation, if that met the objection of the government. But the government refused to be satisfied.

Taking into account the advertised fact that the

principle of joint responsibility was to be in operation in the working of the Expanded Viceregal Council, a request was addressed to His Excellency the Viceroy to place the important matter about the establishment of an Auto Factory in India before the Expanded Council. This request was simply not responded to.

The promoters made a final appeal to the government to allow them to make a beginning with the preparations at once, even if the industry was to be a post-war measure. The government's reply to this request stated that the obstacles mentioned earlier were so formidable that it was out of question for the Government of India to accept the view of the promoters and, therefore, it was premature to consider the procedure to be adopted in the case of a work to be taken up after the close of the war.

It will thus be seen that the Government of India though expressing sympathy with the cause of a basic industry like the automobile industry, have not taken a single step to promote it ; have not made a single proposal of a constructive or helpful nature ; and have not suggested any alternative to or modification of the proposals placed before them ; neither have they shown any inclination whatsoever to have a frank and open discussion with the promoters They have on the contrary created and reiterated every imaginable difficulty, ringing now and then a change or two on the same theme, and obstinately persisted in refusing to consider every single request and each individual point calculated to favour the scheme.

But this is not the end of the story, this cannot be the end of the story, this will not be the end of the story The government will have, one day, to realise the full *force of the will of a nation, struggling, though at present* it is, for its economic independence as purposefully as for its political freedom. The activities of Mr Walchand are but indicative of the signs of the times. The will of the Nation is greater than the interests of an individual, be that individual a person or a government

THE SCINDIA STEAM NAVIGATION COMPANY LIMITED

"In the romantic history which Shri Walchandbhai has related to you to-day, he has only omitted his own name and work How untrue the Ramayan would read to us if anyone omits all that Shri Rama did and achieved ! Shri Walchand's contribution to the progress and development of this company during the last twenty years is what the contributions of Ramchandra are to the story of Ramayana. His great capacity, courage, patriotism and ceaseless endeavours for the good of the Company deserve the highest praise. It is indeed a good fortune for the Scindia Company that it has got such a patriotic man at the helm of affairs."

—Sardar Vallabhbhai Patel

It is a universal fact, recognised by all maritime countries, the world over that possession of a powerful national mercantile marine is essential for the promotion and prosperity of the national industries and for the defence of the country

With its vast natural resources still undeveloped and with a coast-line extending over 4,500 miles, it is imperative that India should have a strong merchant shipping of its own In his article : "*Why Indian Shipping Does Not Grow ?*", Mr. Walchand has stated :

"India has a coast line of about 4,500 miles About seventy lacs of tons of rice, timber, coal, salt, oils and

> general cargo are carried annually in the coastal trade of India. As regards the carriage of passengers, in that trade, over fifteen lacs of passengers are carried on the West Coast of India and about five lacs of passengers are carried between India and Burma. So far as the over seas trade is concerned, about two lacs of passengers are carried every year in that trade. The annual value of the overseas import and export trade comes to about 400 crores of rupees. It is obvious that the carriage of such a huge trade requires a large mercantile marine to do so. Moreover, India is surrounded by seas on three *sides and, therefore, needs its own ships for the* defence of its coasts. With a view therefore to promote and strengthen the broad economic interests of India in the carriage of India's vast maritime trades and passengers and to provide for this country an efficient second line of defence, it is imperative that India should have a large and powerful mercantile marine of its own. The growing spirit of nationalism all round and the international situation in the world have recognised and emphasised the need and possession of such a merchant navy of its own by every important maritime country of the world.

But what is the position of the Indian Shipping? The pre-war tonnage owned, controlled and managed by Indians was hardly about 130 000 tons, while the pre-war tonnage owned by the British was about 18 million tons.

This position is not due to any want of enterprise on the part of the Indian businessmen. It has been calculated that between the years 1860-1925 about 102 navigation companies including one started by the Tatas, with a total nominal capital of about 46 crores of rupees were registered in British India. But a large number of these

were driven out of the trade by the effective opposition of the British vested interests, a fact that has been admitted by the Britishers themselves. A definite admission of the kind, to quote only one out of the many such instances, was made by Sir Alfred Watson during his evidence before the Joint Select Committee of Parliament in connection with the Government of India Bill (1935). He said :

> " I recognise that Indian Company after Indian Company which endeavoured to develop a coastal service has been financially shattered by the heavy combination of the British Interests "

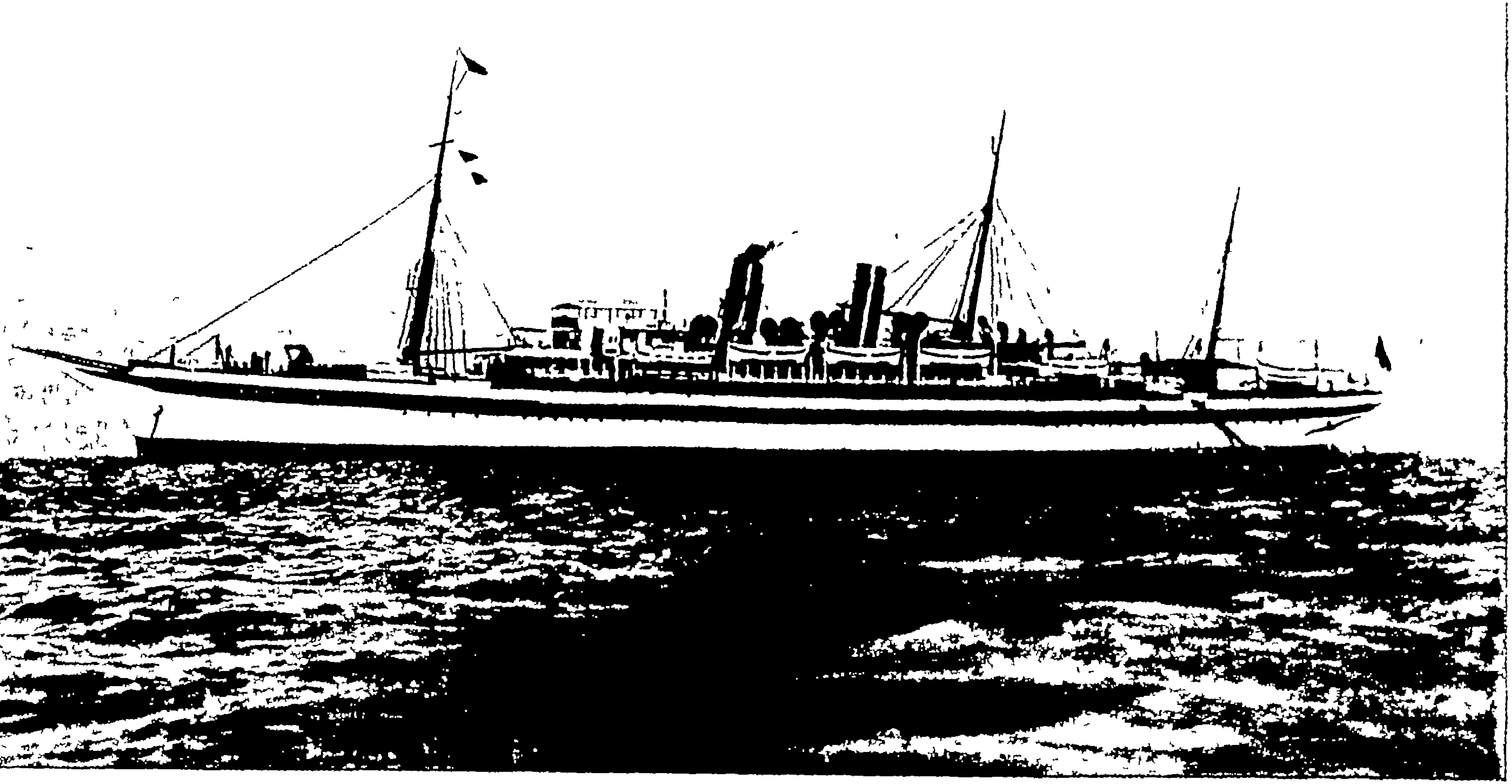
Establishment of the Scindia Company

In the perspective of this depressing background, one cannot but admire the vision and courage of the man, who during the course of a casual conversation could realise the possibility of starting an Indian Shipping enterprise. As is usual with some of Mr Walchand's important industries, the idea of starting this shipping industry came to his mind in the course of an incidental conversation. Late in January 1919, Mr. Walchand was returning from Delhi. One Mr. Watson connected with an electrical engineer's firm boarded the same train at Gwalior, and during a casual conversation that followed, he informed Mr Walchand that the Hospital Ship S. S "Loyalty" (ex. S S "Empress of India") which was purchased by the Maharaja of Scindia during the war on behalf of the various Princes was now out for sale. The British

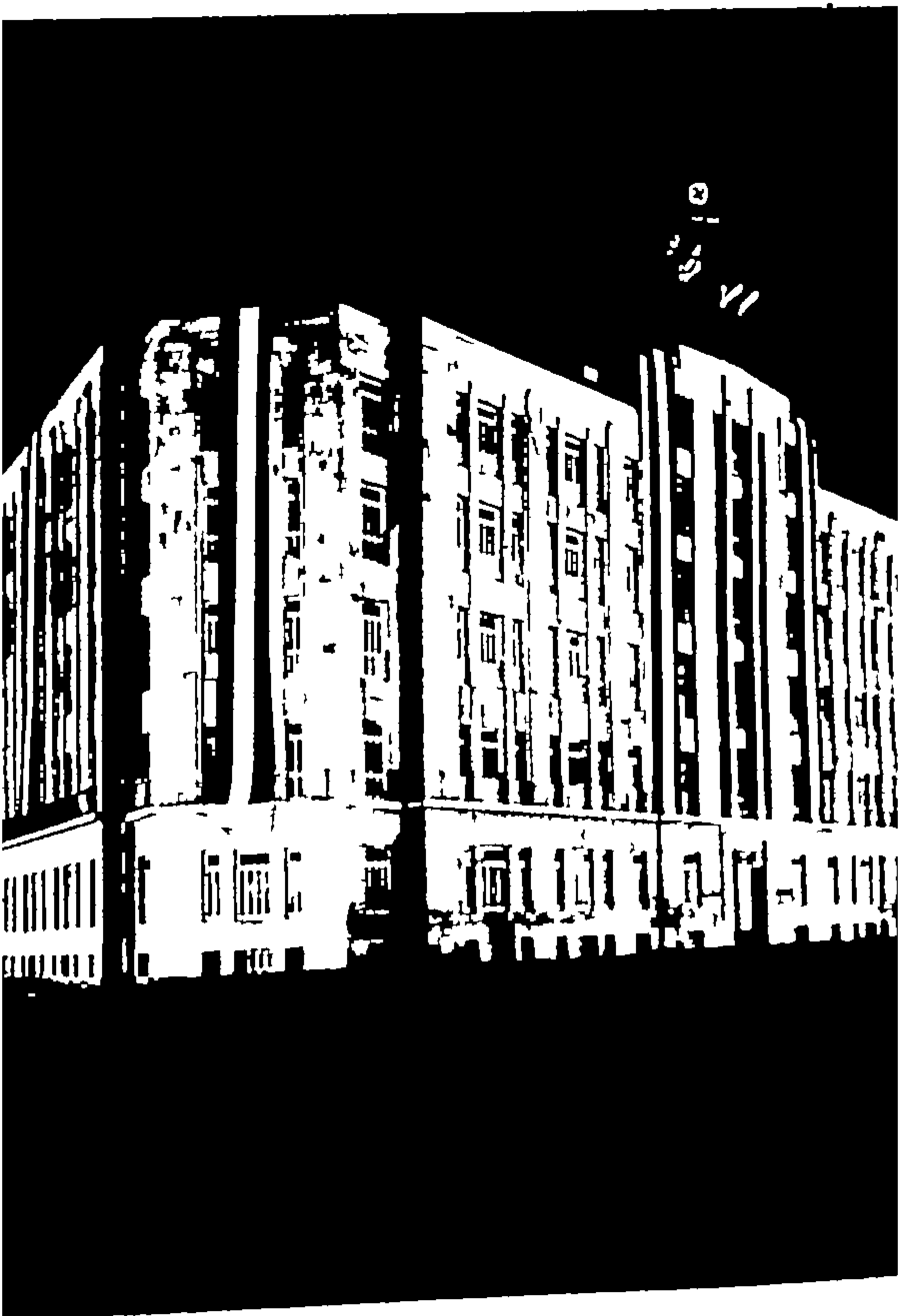
Government were prepared to assist Their Highnesses in obtaining a good price by granting this vessel exemption from the control of passage fares. Mr Walchand immediately saw in this a possibility of starting an Indian Shipping Industry

Immediately the train arrived at Victoria Terminus, (Bombay), Mr Walchand drove straight to the docks to inspect the boat. He made a few preliminary enquiries from the commander of the vessel and before the day was out, he had already secured promises from his business friends to join him in finding the purchase price of the vessel. He succeeded in enlisting the active interest of Mr (afterwards Sir) Lallubhai Samaldas. He also induced Mr Kilachand Devchand and Mr Narottam Morarjee of the firm of Messrs. Morarjee Gokaldas to join in the enterprise.

The Scindia Company was floated with a nominal capital of Rs. 4,50,00,000 and the issued capital was over subscribed. The company was registered on 27th March, 1919 Messrs. Narottam Morarjee & Co. were appointed the Managing Agents. S. S. "Loyalty was transferred to the ownership of the Company and on 5th April, 1919 she sailed on her first voyage under the Flag of the Scindias. Mr Narottam and Mr Walchand were amongst her many distinguished passengers. It was a memorable occasion opening as it did, a new chapter in the economic history of Modern India.



S S "LOYALTY"



"SCINDIA HOUSE"

It was no easy sailing, however, for those that had thus dared to recreate a National Industry in the teeth of avowed hostility of those, whose long-standing monopoly of exploiting the country, had thus been rudely challenged. Disaster threatened their progress at every step. The re-conditioning of the 'Loyalty' for employment on the passenger service under Indian ownership was hampered in every way It was difficult to induce British firms to act as agents of the new Indian vessel. Various other petty and annoying difficulties were raised by the startled Britishers, but the enthusiasm and the determination of the new owners of 'Loyalty' overcame them all, after, of course, considerable waste of time and resources.

Purchase of Palace Boats

The second landmark in this romantic history was the purchase of six steamers of the Palace Shipping Company in England. Even this apparently simple transaction between subjects of the same empire had its own significant difficulties The Shipping Controller objected to such transfer of ownership of 'White' British vessels After about a year's strenuous efforts, however, the six "Frank" boats of the Palace Shipping Company were transferred to the Scindia Company. The vessels were berthed in the trade between India and the Continent and later, between India and Burma During the first three years of its existence, the company had covered over fifty berths in the Bombay/Continental run, and as mentioned above, had actually started its activities by establishing a passenger

service between Bombay and London, and Bombay Marseilles and Genoa. The coastal trade of India was inaugurated by the S. S. Frankby which took the berth at Rangoon on 21st January, 1921 and loaded 6,400 tons of rice in a record period of three days.

The sensation created by this advent of Indian National Shipping in the trades which had hitherto been exclusively controlled by British Shipping interests was equalled only by the rising indignation and open hostility of the non Indian monopolists. They immediately launched an all out opposition with a view to exterminate the infant venture and employed all the well known methods which had hitherto given them complete success in financially shattering one Indian Shipping Company after another The rate-war that followed was severe in the extreme. Rice freights from Rangoon to Bombay and later to Colombo were brought down from Rs. 18 to Rs. 6 per ton. Shippers were coerced into refraining from supporting the National Company on pain of forfeiture of rebates and refusal of space.

The situation was partially retrieved by two important factors. The Company received splendid support from Sir Abdul Karim Jamal and Sheth Mooljee Dharsee who were the then virtual rulers of rice market in Burma. Sir Abdul Karim alone engaged most of the space in the ships of the Company throughout the year 1921 and thus

made a solid contribution towards stabilising the Company in that trade.

Narottam Ltd

The freight war, meantime, was getting more rigorous and the outlook was becoming increasingly gloomy. The company, as an act of sheer self-preservation, had to enter the rice trade themselves through a subsidiary company, Messrs. Narottam Limited, and had not only to carry large quantities of rice on its account, but had also to sell rice in Indian markets, opening up new centres like Bhavnagar, Marmagoa, etc., centres which never had been directly served before by the erstwhile monopolists The leading shippers of rice who were coerced by the opposition into withholding their support to the Scindias, now found their trade diverted to other centres and their clientele consequently reduced. They, therefore, tried to lay a sort of boycott on the imports by Narottam Ltd., but soon realised that it was not only in the interests of National Shipping, but also in the interest of the trade itself, that the foreign opposition should be made to allow the new National venture to exist Consequently, they waited in a deputation on those who had the power to bring about peace, if they so willed it. The activities of Narottam Ltd., on the other hand, often involved the Scindia Company into heavy commitments, but the courageous resolve that had given birth to this subsidiary, and the doggedness with which it held its ground, were, perhaps, mainly responsible for the ultimate survival of the Scindia Company.

Inchcape's Offer to Purchase the Scindia Company

In 1922, Lord Inchcape, the Supreme Controller of the policy and fortunes of the non Indian vested interests, made an astounding offer to the Scindia Company He offered in fact, to buy up the Scindia Company When the Scindia Management replied that they could not consider the offer at any price, because theirs was the birthright to run their own steamers on the coast of their own Motherland, His Lordship was extremely annoyed and exclaimed, Motherland ! Whose Motherland ? We are all children of the British Empire and we have as much right to come to the shores of this country as you As long as the British Empire will last, there is no power on earth that can prevent us from coming here and after that, His Lordship, a canny Scotsman that he was, bettered his offer so that, in effect the shareholders of the Scindia Company could, if they would, earn a solid premium on the market value of their holdings, the Agents and Directors receiving a substantial benefit. But the Shareholders of the company rose equal to the occasion and with grim determination and abiding patriotism unceremoniously rejected the offer in spite of the continuous loss the company was suffering

First Tripartite Agreement

Sometime later, negotiations were again opened between the B. I and the Scindia Company resulting in the first Tripartite Agreement which came into being on the 14th March, 1923. The agreement was utterly

one-sided and heavily weighted against the Scindia Company, whose representatives, in their evidence before the Indian Mercantile Marine Committee, described it as a "Slave Bond." Although the company had started with a fleet of seven steamers aggregating to about 30,000 tons gross, the agreement prevented it from increasing the number of its vessels beyond fourteen and its tonnage beyond 64,000 tons gross even at the end of fourteen years of its existence. Though the company had inaugurated its services by carrying passengers and cargo from Bombay to England and the Continent the agreement prohibited the company from going out of Indian waters. The existing fleet of the company was not able to cope even with the few services allotted to them on the coast, but the fleet could not be increased under the agreement by more than seven steamers during a period of ten years !

In the absence of any Government support and faced with overwhelming odds, acceptance of this one-sided and humiliating agreement was the only course left for the Scindia Company, the other alternative being total annihilation at the hands of the powerful opposition. A thin, almost invisible, silver lining to this very dark cloud, however, was evidenced by the fact that the agreement admitted an Indian Company, for the first time, into the Indian Coastal Conference which had hitherto been the monopoly of British vested interests. The agreement, therefore, howsoever humiliating, should yet be regarded as the first milestone in the history of the development of the

National Shipping Industry of India.

As a member of the Coastal Conference, the Scindia Company, however, was treated as though it were there on sufferance and not by right. There was a lack of mutual confidence. Even during the period of the agreement the Scindias had to face a different kind of rate-war and was seldom free from the feeling that the freight rates were deliberately kept lower in order to prevent it from making up for its past losses. There was no rationalisation of berthings, there were no quotas for liftings, and hence there was always a scramble for cargo in all important ports, but more particularly in the ports of Burma.

Reservation of Coastal Trade

With the activities of the Scindias inadequately but effectively adding new chapters to the history of National Shipping, the attention of the public men and National Leaders of India, was naturally focussed on the glaring disabilities of India in the matter of securing the legitimate development of such a vital industry It was during the earlier part of this period that as a result of a Resolution moved by Sir Sivaswamy Iyer in the Legislative Assembly the Government appointed a Committee the Indian Mercantile Marine Committee, which after touring the country and collecting evidence, all but unanimously recommended the "eventual reservation of the Indian Coasting Trade for Ships, the ownership and controlling interests in which are predominantly Indian" The

Committee also recommended the establishment of a Training Ship for training Indian Personnel for the Mercantile Marine. The Government of India, constituted as they always have been, could not and would not implement the chief recommendation of this Committee, which not only remains unheeded to till this moment, but has, in fact, been statutorily provided against in the Government of India Act, 1935.

Non-Officials in the Assembly, like Mr. K. C. Neogi and Mr. S. N. Haji, introduced bills for the reservation of the Coastal Trade for Indian Shipping. The Government opposed these totally and continuously, acting all along as the instrument of Whitehall and as an effective mouthpiece of the mighty British Shipping Interests. The legislature more than once witnessed long-drawn-out wordy battles between the champions of National Shipping and, to use an honest phrase, those who were and still are the enemies of National Shipping. It is sad to observe that the ultimate result of this great National endeavour, is now to be found in the form of a statutory epitaph as it were, to wit, in the sections providing safeguards against any similar future attempt by the Indian Legislatures.

While professing sympathy with the object of the development of Indian Shipping, the Government of India have at best only preached a complacent platitude, in season and out of season, that Indian Shipping can be developed only by a policy of good-will, co-operation and

negotiations. This has been their one and only contribution, till date, towards the solution of this vital problem. When the Coastal Reservation Bill emerged from the Select Committee and was to come up for its third reading in 1929, the then Commerce Member, Sir George Rainy, announced that the Government proposed to convene a conference of various interests concerned, in order to arrive at a satisfactory solution of the question. The further consideration of the bill, therefore, was postponed. The Conference was convened in January, 1930. The then Viceroy, Lord Irwin, (now Halifax), himself presided over the Conference, but the mighty British Shipping Interests were not in a mood to discuss the ways and means of developing the Indian Shipping Industry. They bluntly declared that they had no authority from their Home Boards to go into such matters. The Conference was naturally still born. In a post mortem communique issued on 6th January 1930 the Government declared that the responsibility will rest with the Government of India for "securing the adequate participation of Indian Shipping in the Coastal and Overseas trade of India." Needless to say that the responsibility with the two notable exceptions of Sir Joseph Bhore's good offices employed for the Second Tripartite Agreement and for the Award in respect of small Steamship Companies remains entirely undischarged till date. The Coastal Reservation Bill, whose consideration was deferred in 1929 at the instance of a responsible member of the Government of India could never be revived because the sponsor of the Bill resigned his seat

from the legislature subsequent to the boycott of the legislatures by the Swaraj Party. As the National and Progressive forces in the country had gone into wilderness, there was slender hope of obtaining any effective success by legislative measures.

Second Tripartite Agreement

The efforts and good offices of Sir Joseph Bhore, a patriotic and progressive Commerce Member, were responsible for the conclusion of the Second Tripartite Agreement (1933) which secured slightly better terms for the Scindia Company than those of the first agreement. The fleet of the Company could now be increased to 1,00,000 tons gross, and the Company was allowed to enter the passenger trade in two out of four routes between India and Burma, in conjunction, of course, with the B. I. S. N. Co. A quota system for cargo liftings was introduced for the principal ports All this made for greater stability and more rationalised working of the trades concerned But even this agreement prohibited the Scindia Company from participating in practically the whole of the established overseas trade. Disappointing and halting as even the second agreement was, when viewed in the light of the rightful demands and the legitimate aspirations of Indian Shipping, it constitutes, nevertheless, an important stage in the history of the industry.

Small Steamship Companies Award

Four small companies had attempted to establish themselves in the trade between Karachi and Malabar Ports, and after a considerable struggle, were on their last legs. When the non National Interests decided to declare a rate war against the smaller companies in that trade, to give them the *coup de grace*, Mr Walchand and his colleagues not only refused to co-operate with them but showed their readiness to sacrifice freight worth lakhs of rupees to save these companies, proposing that sacrifice with pleasure and pride. The B I was adamant. Mr Walchand with the great dynamic force which he often can wield to great purpose succeeded in securing the consent of the then Chairman of the B. I. S. N Co. Ltd to refer the disputes between the Conference Lines and the small Shipping Companies to the arbitration of Sir Joseph Bhore, the then Commerce Member with the Government of India. Sir Joseph called a conference in 1935 at New Delhi and awarded 85 *per cent* of a certain portion of the trade on the West Coast to these small companies. The Bhore Award gave a new lease of life to these companies. It was not only a triumph of National opinion but it also established an invaluable precedent, namely that of Government intervention, in such disputes, even though by arbitration. It further obtained recognition of the principle by the Government that a major portion at least of the Indian trade must belong to shipping owned controlled and managed by the Nationals of the country

Bengal Burma Steam Navigation Company

It was just a little before this, in point of time, that Mr. Walchand was approached by Mr. Abdul Baree Chowdhury, with a woeful tale of his shipping venture, the Bengal Burma Steam Navigation Company Limited, which was then in a very sad plight and had reached a point bordering on total collapse. The Bengal Burma had long fought out the severe and strangling rate-wars waged against it by the B. I. on the Rangoon/Chittagong run, but was then in such a very critical position, that negotiations to sell the company to the B. I. were forced upon Mr. Abdul Baree Chowdhury and his co-directors. Mr. Chowdhury placed the situation before Mr. Walchand. Mr. Walchand had to decide and decide quickly. The acqusition of this concern by the B. I. would have meant a serious set-back to the cause of National Shipping. Mr. Walchand acted with his characteristic swiftness and the Scindia Company decided to give the necessary financial help. Thus was saved another Indian Company from going under. The Bengal Burma, resurrected and reorganised, soon re-established itself on the Arracan Coast and had been efficiently plying passenger and mail steamers between Chittagong, Akyab and Rangoon for about eight years before the services were disorganised with the fall of Burma. This Company has recently acquired the Managing Agency of the Eastern Steam Navigation Company Limited, a company established in 1919 and having before the war regular services between India and Persian Gulf and on the West Coast of India.

Attempt to Enter Overseas Trade

During the period of the second agreement one or two attempts were made by Indian Shipping to enter the overseas trade of India A scheme was submitted to the Government of India for developing a fast passenger service between Bombay and the Continent of Europe with a Government guarantee. The Scheme, however, did not find favour with the Government although it meant a practical step towards the expansion of Indian Shipping and would have given an opportunity to the Government to implement their undertaking in this regard, namely, that it would be their responsibility to see that Indian Shipping adequately participated in the Coastal and Overseas Trade of India

Haj Line

An important chapter was added to the history of Indian Shipping when, as a result of the demand of several Muslim leaders and Port Haj Committee the Scindia Company decided to participate in the Haj traffic from 1937 Several highly placed officials in the Government of India themselves welcomed the advent of a new company particularly, an Indian Shipping Company in the Haj Pilgrim traffic, as that was bound to be helpful in the interests of the pilgrims. The Scindia Company's entry into this line constitutes another important landmark in the development of its activities because in the very first year of the inception of its service the company considerably raised the standard of comforts and amenities

available to the pilgrims. The Company specially built two Pilgrim ships, namely, "El-Madina" and "El-Hind" and renovated the S. S. "Englestan" for that service. The facilities including service and catering, provided by the company on these steamers won appreciation and encomiums from those who travelled by them, as well as, from the Port Haj Committees and leaders of Muslim Public, and have been highly commended by the Special Haj Officers appointed by the Government, in their report. The British Company, namely, the Mogul Line, which had monopolised this traffic so far, however, strongly opposed the participation of the Scindia Company in this traffic. A drastic rate-war was carried out during both the years that the company could actively participate in this traffic, at Bombay, Karachi and Calcutta. The company consequently suffered severe losses and in the second year, i.e., 1938, even the rates fixed by the then Commerce Member with the consent of both the Shipping Companies were undercut by the British Shipping Company, which denounced the arrangement the moment it suited its interests to do so Although the Scindia Company's splendid performance in this traffic was now a matter beyond dispute, the company was unable to participate in this traffic during the next two years because the quota assigned to it was not in consonance with its demand or consistent with its performance during the two previous years. Since the enforced suspension of the Scindia's Haj Service, the Government considered it proper to assist the British competitor in meeting

additional expenditure due to war conditions and also permitted it to increase the rates of fares. The Scindia Company is willing and has all along been willing and prepared to carry out its obligations in respect of this traffic and maintain its Pilgrim Services to the entire satisfaction of the authorities and the pilgrims, provided it is given an equal share in the traffic which emanates from India, terminates in India and is concerned with the carriage of Indians as Pilgrim passengers. But the Government have once again sabotaged the efforts and interests of an Indian company and actually acted in the interests of its avowed opponents. Scindias have agreed to berth their available steamers in this traffic in 1942

Bombay Steam Navigation Company

Consistent with its policy of securing co-ordination of Indian Shipping interests with a view to achieve rationalisation and a united national front, the Scindia Company has been able to take over the Managing Agency of one of the most important shipping concerns on the West Coast, namely, the Bombay Steam Navigation Company Limited from its British Managing Agents and has saved by giving timely financial assistance and backing, yet another small company the Indian Co-operative Navigation & Trading Company Limited which was driven to the wall by its erstwhile opponents, the non Indian Managing Agents of the Bombay Steam. Thus the Scindia Company has been able to co-ordinate and control the major portion of shipping on the Konkan Coast and thereby end a rate-war

that was waging for a long time on that coast between unequal competitors Unlike some other industries in India, the harmonious working of the various Indian Shipping Concerns has not been marred by internal dissensions and undue competition, and it can be claimed without exaggeration that this is due not only to the predominant position of the Scindia Company, but also and mainly to its policy of supporting and saving smaller Indian enterprises even at the risk of sacrificing a portion of its own trade

Training Indian Officers & Engineers

But the Scindia Company's contribution to the development of National Mercantile Marine does not end here. It was due to the efforts of the Scindia Company that the Training Ship "Dufferin" for training Indian Officers and Engineers was established in Bombay. Mr. Walchand Hirachand and Mr. M. A. Master, as members of the Governing Body of the Training Ship, have, throughout, taken a very keen interest in the progress of this ship and in the employment and welfare of the cadets trained on her. The Company gives preference to ex-cadets of the "Dufferin" for its Officers and Engineers, and over fifty-four per cent of the total number of cadets who have been trained in the "Dufferin" have been absorbed by the Scindia Company. The company has also provided scholarships not only in the Training Ship, but also for training Marine Engineers abroad. It is also owing to the Scindia Company that Indians were trained

as wireless operators and the personnel of the Wireless Department in the whole fleet of the Scindia Company is entirely Indian. The admission and employment of Indians in such shore services as the Bengal Pilot Service and Port Trust Services of various major Port Administrations, have in no small measure been due to the active efforts of the company in that behalf

The Scindia Shipyard

The idea of starting shipbuilding in India was conceived by the founders of the Scindia Company simultaneously with the promotion of the company itself It was in 1919 when Mr. Narottam Morarjee and Mr Walchand Hirachand were in England negotiating the purchase of the Palace Shipping Company, that they had also discussions with shipbuilding experts in Great Britain regarding the problem of building modern ships in India. A representative conference which had met at Delhi a year before had urged upon the Government to take measures with as little delay as possible for the construction of ships in the country The Government spokesman in accepting a resolution in the then Legislative Council (1918) regarding this subject observed that "Shipbuilding, as our friend pointed just now is a very ancient industry in India and I hope that immediately after the war is ended and the circumstances permit vigorous efforts will be made to revive it." Needless to say these vigorous efforts are yet to be made even though almost a quarter of a century has passed by and the world is again in the throes of a more disastrous

Mr WALCHAND
Delivering his speech, requesting Sardar Vallabhbhai Patel to perform the opening ceremony of the 'Scindia House'

Mr WALCHAND RECEIVING BABU RAJENDRA PRASAD AT WALTAIR

war. The scheme of shipbuilding, however, had to be given up by the Scindia Company in its early years as it had to face a terrible rate-war in those years and soon was to realise that the Government of the country were not prepared to support and encourage the development of National Shipping or Shipbuilding.

The scheme of establishing a shipbuilding industry in India was, however, again revived in 1935 and negotiations were carried out for obtaining a suitable site in Calcutta The story of the cavalier treatment meted out to the Scindia Company by the European Chairman of the Port Commissioners, Calcutta, and of the circumlocutary and dilatory methods adopted by the Government of India as well as the story of how the Government have persisted till date in refusing to regard shipbuilding as a part of the 'war-effort' in India have more than once been placed before the public. Great difficulties were experienced in the matter of obtaining priorities for steel, machinery, machine-tools and technical personnel. Undeterred by these obstacles, the Company went on with the scheme and the foundation of the first modern shipbuilding yard in India was well and truly laid by Sri Rajendra Prasad, the veteran national leader, at Vizagapatam, on the 21st June, 1941.

Second Tripartite Agreement

The Second Tripartite Agreement was due to expire on 31st December, 1940. Long before this, however, the Company had started negotiations both in India and in

England for the renewal of the Agreement, revised in such a way as to secure for the company at least fifty per cent of the Indian Coastal Traffic, which in all free countries belongs, as a birthright, to the sons of the soil, and adequate share in the overseas trade. But the British Shipping Interests now safely entrenched behind the Commercial Safeguards provided in their interests, in the Government of India Act (1935), refused to consider even this reasonable demand The Government of India, on the other hand, in spite of their oft repeated promises that the development of Indian National Shipping was their responsibility, declined to do anything in this connection on the specious pretext of the prevailing war conditions. The Company, meanwhile, had decided to enter the overseas traffic and thus risk once again a grim opposition, which the British companies, well versed in the technique of rate-wars, were bound to give. Officers of the company were sent to Eastern and African ports to make enquiries and necessary arrangements. Pressure was, on the other hand, being brought upon the Company to desist from such an attempt and to continue the agreement for the period of the war The Management was also made to realise that if this advice was not heeded to the efforts of the company could easily be crippled by the authorities, who would not feel any compunction in using the Defence of India Rules for the Defence of British vested interests. The subsequent actions of the Government in commandeering almost all the ships of the Company and even placing some of these at the disposal of the company's opponents have amply

proved these fears to be anything but groundless. Under these circumstances, the company had to agree to continue the agreement for the duration of the war. Thus the legitimate aspirations of the people for an adequate and efficient National Mercantile Marine competent to take its rightful place in the maritime trade of the country yet remains far far away from even a partial realisation.

This in brief is the bare story of the struggle and vicissitudes of the Scindia Company, spread over a quarter of a century. Remembering the fact that company after company was ruined by the ruthless competition of the foreign vested interests, one may well ask the question : 'What is the secret of even this much success of the Scindia Company ?' It may be stated that it is due to the far-sighted policy and sustained efforts of patriotic business-men like Sheth Narottam Morarjee, Sir Lallubhai Samaldas, Sir Dinshaw Wacha, Sheth Laljee Naranjee and others, who, with Mr. Walchand Hirachand were associated with the company right from its inception, and to "the forceful and efficient Management" to use the words of the Imperial Shipping Committee, which the company was fortunate to secure, that enabled to face all opposition from the vested interests successfully and effectively. But in spite of strenuous efforts of the Scindia Company, the Indian National Shipping carries at present only about 22 per cent of the Indian Coastal Traffic, while it has practically no footing in the Overseas Trade. In view of such a position, one may ask : 'What is the future of the In-

dian National Shipping? One answer may be given in the prophetic words of Mr Walchand himself, who, while replying to a congratulatory speech at a dinner given by the friends of the National Shipping said

"I desire to see Indian Ships carrying India's maritime trades to the four quarters of the Globe. I am anxious to see that these ships are controlled by Indians as well as managed by Indians. I want to see that these ships are fully manned by my own countrymen. I yearn to see the Indian Flag only as a matter of right, in my own home-waters. I long for the day when I can take my own countrymen in super Indian "Victorias and in Super Indian Normandies" to all parts of the world. I dream of the time when I can see these ships built in Indian ship-building yards. I am impatient to make Indian shipping the effective instrument of India's National economic policy and a powerful safeguard for the defence of its trade in times of peace Such a full fledged Indian Mercantile Marine will hasten the dawn of the day when we shall find India attaining complete independence or Purna Swaraj for which you and I and all have been waiting anxiously and impatiently for all these years.

Which patriotic Indian would not wish Mr Walchand on this his sixty first birthday, a long, healthy and vigorous life, to enable him to translate his, this glorious dream, into reality?

Mr Walchand has played a great part in the story that is the romance of a great national industry As aptly described by Sardar Vallabhbhai Patel

"In the romantic history which Shri Walchandbhai has related to you to-day he has only omitted his own

name and work. How untrue the Ramayan would read to us if anyone omits all that Shri Rama did and achieved ! Shri Walchandbhai's contribution to the progress and development of this company during the last twenty years is what the contributions of Ramachandra are to the story of Ramayana His great capacity, courage, patriotism and ceaseless endeavours for the good of the company deserve the highest praise. It is indeed a good-fortune for the Scindia Company that it has got such a patriotic man at the helm of affairs"

—Speech declaring the "Scindia House" open on the 23rd December, 1938

THE STAFF INSURANCE SCHEME

For the benefit of the staff, whose welfare remains the prime concern of Mr Walchand, there has been introduced a scheme of Insurance—The Staff Insurance Scheme—which is in addition to the Provident Fund scheme. As an advocate of the efficacy of Insurance as the best way of effecting savings and providing for the future, Mr Walchand prefers this method

Under the staff Insurance scheme, which applies to the permanent staff, the employee derives a benefit equivalent to 25 per cent of the premium payable. Thus, if on a policy the annual premium payable is Rs. 100, the employee actually has to pay Rs. 75 only the balance being borne by the Employer and the Insurance Companies together The scheme has been in operation since 1936, the total amount of policies effected and in force on 31st August 1942 being of the aggregate value of Rs. 12,59,500 while the proposals under consideration total to Rs. 60,000. The Insurance is effected with the Oriental Government Security *Life* Assurance Co. Ltd., the foremost Insurance Company in

India. The following table shows the year to year figures for the insurance policies effected under the three schemes.

Statement of Policies in Force as on 30th September, 1942

Year	Scheme I	Scheme II	Scheme III
1936	3,31,000		
1937	1,13,000		
1938	79,250		
1939	No policies could be effected owing to the New Insurance Act.		
1940		1,11,000	2,09,000
1941		1,82,500	1,61,750
1942		62,250	9,750
	5,23,250	3,55,750	3,80,500
		Total Rs	12,59,500

Analysis of the latest Balance Sheets of the
(in thousands) eliminating Inter

	Name of the Company	As on	Share Capital	Funds
1	Premier Construction Co. Ltd.	31 12 1941	48,81,000	34,60,000
*2	Hindustan Construction Co. Ltd.	31-8-1941	37,00,000	1 70,000
3	All India Construction Co Ltd.	31 12 1941	2,00,000	5,000
4	Building Construction Co. Ltd.	31 12 1941	5,00,000	
*5	Indian Hume Pipe Co. Ltd.	30-6-1941	30,00,000	25,000
6	Marsland Price & Co. Ltd.	31 3-1942	13,50,000	10,81,000
*7	Ravalgaon Sugar Farm Ltd.	31 3-194[illegible]	16,00,000	6,48,000
*8	Cooper Engineering Ltd.	30-6-1941	7,00,000	
*9	Acme Mfg. Co. Ltd.	31 3-1942	8,39,000	16,000
10	Scindia Steam Navigation Co. Ltd.	30-6-1941	2,22 47,000	27,58,000
11	Narottam Ltd.	30-6-1941	10,00,000	3,96,000
12	Eastern Bunkerers Ltd.	30-6-1941	4,00,000	
13	Narottam and Perreira Ltd.	30-6-1941	3,50,000	
14	Bombay Steam Nav Co. Ltd.	30-6-1941	60,00,000	2,,29,000
15	Indian Co-op. Nav & Trading Co. Ltd.	30-6-1941	3,00,000	
16	Eastern Steam Nav Co. Ltd.	30-6-1941	2,69,000	5,31,000
*17	Bengal Burma Steam Nav Co. Ltd.	31-8-1940	16 77,000	20,000
18	Scindia Steamships (Burma) Ltd.	30-6-1941	5,00,000	1,00,000
19	Scindia Steamships (London) Ltd.	30-6-1941	13,33,000	97,000
20	Eastern Bunkerers (Burma) Ltd.	30-6-1941	5,10,000	1 500
21	Ratnagar Steam Nav Co. Ltd.	30-6-1941	12,00,000	
		Total Rs.	[illegible]	[illegible]

[illegible]

[illegible]

Companies controlled by Mr. Walchand Hirachand Company figures in columns 4 to 9 inclusive.

Borrowings	Gross Blocks	Depreciation	Liquid Assets	Cash and Investments	Investments in Subsidiary and Allied Companies
19,67,000	1,03,000	97,000	5,000	39,54,000	64,20,000
25,12,000	5,36,000	90,000	60,17,000	38,16,000	
	22,000	21,000	7,000	7,000	.
.	6,33,000	10,000	8,000	9,000	
60,80,000	35,34,000	14,15,000	44,37,000	36,20,000	
48,18,000	63,72,000	18,90,000	47,56,000	1,03,000	
20,24,000	31,23,000	11,25,000	16,74,000	11,41,000	2,69,000
11,70,000	4,71,000	51,000	7,38,000	10,12,000	
12,10,000	10,23,000	6,01,000	8,04,000	10,08,000	.
6,000	3,08,18,000	2,23,06,000	32,84,000	1,82,13,000	93,32,000
.	26,000	22,000	2,25,000	28,000	
	81,000	9,000	5,24,000	51,000	
.	6,08,000	4,37,000	1,12,000	4,58,000	
15,22,000	1,18,52,000	56,61,000	14,27,000	31,09,000	
	16,20,000	6,71,000	71,000	17,000	.
.	2,13,000	1,04,000	88,000	6,76,000	
.	8,51,000	5,02,000	2,96,000	17,02,000	
.	65,000	39,000	3,000	7,89,000	
	7,000	700	23,000	23,06,000	.
	3,36,000	39,000	7,300	76,000	
	10,02,000	1,81,000	9,000	1,42,000	.
2,13,09,000	6,32,96,000	3,52,71,700	2,45,15,300	4,22,37,000	1,60,21,000

STATEMENT SHOWING GRADUATE EMPLOYEES IN THE ASSOCIATED COMPANIES OF THE PREMIER CONSTRUCTION COMPANY LIMITED

Name of the Company	Engineers	Foreign Degree Holders	M.A.	M.Sc	LL.B.	B.A.	B.Sc.	B.Com.	B.Ag.	Doctors	Diploma Holders
The Hindustan Construction Co. Ltd.	121	15	5	1	13	34	13	22	—	5	80
The Indian Hume Pipe Co. Ltd.	41	10	1	1	2	10	9	4	—	1	50
Marsland Price and Co. Ltd.	5	1	—	3	3	3	12	—	12	1	—
Cooper Engineering Ltd.	4	1	—	—	—	2	1	—	—	—	6
The Acme Manufacturing Co. Ltd	6	1	—	2	—	—	—	1	—	—	11
Ravalgaon Sugar Farm Ltd.	1	—	—	2	—	—	4	—	6	1	2
Total	178	28	6	9	18	49	39	27	18	8	149

WALCHAND IN HIS OWN WORDS

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[Being excerpts from speeches delivered by Sheth Walchand Hirachand as President of the Indian Merchants' Chamber, Bombay (1927), the Maharashtra Chamber of Commerce, Bombay (1927-38), the Federation of Indian Chambers of Commerce and Industry (1932-33), and as Chairman, Scindia Steam Navigation Company Limited.]

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A Disastrous Ratio Policy

"As you are all aware, the ratio has now been fixed by law at 1s. 6d. and you also know that Government claim that this ratio was justified and that it would be disastrous to think of going back to 1s. 4d. because conditions in India had nearly adjusted themselves to the 18d. ratio. How unfounded this claim was has been abundantly proved by the very fact that Government was compelled to revert to further enormous deflation even after the passage of the Currency Act* and you will appreciate the enormity of it when I tell you that it amounted to over Rs. 41 crores since 1st April, 1926, and that Sir Basil Blackett† had himself thought of Rs. 25 crores to be an outside figure. In spite of it all Government found it very difficult to bring the rate up to 1s. 6d. and had to revert to various tactics as a result of which we are here to-day at our 1s. 6d. and the ratio seems to be established for the time being, but it has all meant an enormous cost to the country. If we look at the figures of imports and exports for the last seven years since 1921, we shall find that there was a tendency for exports to further expand while imports also expanded to some extent, but in the last three years the

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* The Indian Currency Act of 1927 fixing the Ratio at 1s 6d

† Finance Member, Government of India

tendency has been reversed and exports show a diminution while imports show actually some gain. This bears out the charge that the 18d. ratio was more in the interests of foreign manufacturers and not in the interests of producers of this country I would also draw your attention to the figures of registration of Joint Stock Companies in India in the past five years. They are respectively 34, 26, 21, 30 and 19 crores and represent 51, 40, 31, 45 and 29 per cent of the figure for the pre war year 1913 14. This will show you that the Government s Currency and Exchange policy has succeeded in destroying all enterprise in this country and it is due to this that we hear so many complaints on all hands of trade depression and unemployment."

Indian Merchants' Chamber 1927

* * *

Bungling With the Reserve Bank Bill

The next question of importance with which I would like to deal in my speech this evening is the Reserve Bank Bill.* With regard to this question also its history is one of broken promises and pledges and a surrender to the financial interests of Great Britain and the Secretary of State for India, who, himself is again ruled by the former Your Committee protested in the strongest terms against the withdrawal of the Bill from the Legislative Assembly so very unceremoniously just when it was in the

* The Reserve Bank of India Bill (1927)

most critical stage. This withdrawal and the hurrying up of the Hon'ble Finance Member to London to discuss personally with the Secretary of State all the pros and cons of the Bill led one of our ablest commercial men, Sir Ibrahim Rahimtoola to compare the Government of India with an overseas factory manager who would be called up to head-quarters to explain his conduct and to discuss questions of financial administration concerning that factory. It is a position of humiliation which no self-respecting Indian can look upon with equanimity. It becomes still more acute when one sees the result of this hurried visit to London, which is the issuing of a new Bill which is merely a rehash of the old, repeating almost all the old formulae which were discarded by the Joint Committee and the Assembly."

Indian Merchants' Chamber, 1927

* * *

Its Real Purpose — To Help British Interests!

"The shareholder's scheme is again revived and the bogey is again trotted forward that the Bank will end in a disastrous failure if there is the least political influence anywhere near it This is made to justify the rigid exclusion of members of Legislature from its Board of Directors. The proposed Bank is as a matter of fact the creation of political influence, for behind it there is the idea of keeping British interests dominant, preventing import of gold into this country and utilising the credit

machinery for objects other than the good of the country To fight such a political influence which is adverse to this country, we must have independent members of the legislature on the Board of Directors and the Bank must be responsible to the legislature. It is a myth to say that the Bank as conceived in the Bill will be entirely independent of Government control. It will be on the contrary fully amenable to Government control and it is because of that your Committee sent a telegram to the Government of India protesting against the proposed form of the Reserve Bank. May I express a hope that the Assembly will rise to the occasion and either have a State Bank or reject the entire Bill and not truckle to the wishes of Government as they did last year with regard to the Currency and Exchange question?

Indian Merchants' Chamber, 1927

* * *

Government's Road Policy

This is a very big country being nearly fifteen times the size of the country of its present rulers. Means of communication in this country have been developed during the last hundred years and so more with a view to administrative and military convenience than with a view to public convenience. The idea was never to serve the rural population scattered in villages by linking these villages with Taluq towns and bazar places to enable the traders and farmers to move their merchandise and farm produce

more economically. The idea was not to ensure, as far as possible, all the year round, means of communication to them by creating a network of fair and properly bridged roads. The Government have never looked at this question from a large and national point of view. This being a country mainly of villages it is first necessary to have such a network of roads. The present first class roads can wait a little before they are further improved. The villagers have at present to suffer a good deal in the rainy season and some villages are even totally cut off from all outside world. All this has been put before the roads' Committee and let us wait and see what the Committee suggest in their report."

Maharashtra Chamber of Commerce, 1928, November 9

* * *

Stores Purchase Policy of the State

"I take this opportunity to enter here a strong protest against the Government's stores purchase policy. The policy of the Government is clearly to place as many orders as possible with the British manufacturers and businessmen irrespective of whether their prices are competitive or not.

"It is difficult to see why we should be expected to favour the British business at a sacrifice. The self-governing colonies like Canada, South Africa, and Australia make their purchases solely with a view to their own

interests. Even the Manchester Municipal Council places its orders for electrical machinery with Belgium, because the British quotation was some 40 per cent higher It is strange that the purchases made by the State are made to-day to the extent of 76 per cent in Britain. I am unable to believe that the goods of Germany and other countries are not reliable. None can believe this large and bold statement especially after the last Great War

Maharashtra Chamber of Commerce, 1928, November 9

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True test of a Sound Currency System

A sound system of currency should fulfil certain indispensable object and satisfy a few basic needs of economic life. It must be a standard of values, universally acceptable medium of exchange, a standard for deferred payments and a store of values. In a word "a sound system of currency secures relative stability in the purchasing power of the monetary unit in terms of commodities. A gold currency eminently satisfies all these objects. Does the present Indian currency stand this test? Does it follow, because the stability of gold price of the rupee has been established for the purposes of foreign exchange that therefore it may be taken for granted that all the other functions of good money are fulfilled by the rupees as so managed?" In these words the well known economist, Prof Nicholson gives a negative reply The characteristic of good currency is this, that

its value must be the same for purposes of internal as well as foreign transactions. Whenever the introduction of a full gold standard is demanded, what is intended is that all token coin as well as paper must be convertible into gold coin at the will of the holder This will necessarily compel Government to walk warily and keep its currency policy on the right lines and as a result tampering with currency and exchange will be impossible"

Maharashtra Chamber of Commerce, 1929, August 10

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The ways of the Government

"The policy of the Commerce Department of the Government of India has been characterised by unusual dilatoriness and indifference whenever question of protection to Industry comes before it. To quote an example, the Chemical Industry applied for protection to the Commerce Department in January 1925. It was nearly a year before the Government replied on the 9th December, 1925 to say that there is no prima facie case made out to justify reference of the question to the Tariff Board After some further efforts the Government ultimately wrote to say that they expected to be able to refer the question to the Tariff Board early in 1928. But instead at the eleventh hour Government decided to give precedence to the oil industry, a situation having arisen wherein British oil interests here found their profits reduced on account of the competition of the Russian oil

which the Standard Oil Company of New York began to market here. The oil industry is in no way an Indian industry except if it be for the fact that it is geographically located in India. Its capital, management, control are foreign and it was not threatened with extinction. The question of protection to Chemical industry was ultimately referred to the Tariff Board in July 1928 The Tariff Board submitted its report to the Government after its investigation but the Government of India have not yet published the same.

Maharashtra Chamber of Commerce, 1930, February 8

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Agriculturists' Distress

' There is severe economic depression to-day and as the new crop season has commenced, a very gloomy out look faces the agriculturists. Last year the loss which was smaller was borne by the middleman or the businessman in stages but this year it is the cultivator who has to bear it. Prices of agricultural commodities have considerably gone down and it is not known whether we have seen the worst yet. As it is, the loss is great and no agriculturist can bear it. Something has to be done to help him and that too at an early date. The prices of cotton and wheat to take only two of India's money crops, have gone down almost to a level which is a record for the last thirty years. Oomrah cotton stood at Bombay at about Rs. 280 in December last, while to-day it is about Rs. 165/ This means, while the agriculturist then got for his Oomrah

seed cotton (sufficient to gin out a candy, 784 lbs. of lint cotton) about Rs. 225, he will get to-day only Rs. 110 ex-farm. This is equivalent to a drop of nearly 50 per cent in eleven months. It is really a tragedy that even when Indian wheat has considerably gone down, Australian wheat should be allowed to be dumped here at about Rs. 3-14-0 per cwt. at the Indian ports of import. The agriculturist has to-day to sell his wheat at a price which is economically much below his cost of production. What is true of these two crops is more or less equally true of other agricultural produce. It would not, therefore, be off the mark to say that the agriculturist would realise on an average 25 per cent less on his produce this year than he did last year. If the total Indian agricultural produce is put at its normal value, it is about 1800 crores of rupees worth and the entire loss on this, due to the present drop in prices, is going to be something like 450 crores of rupees, a great loss indeed when it is remembered that the Indian Agriculturist has no staying power or any reserves behind him, a situation which is the direct outcome of the financial, economic and industrial policy pursued by Government for so many years The people in the country are for the most part living in a state of perpetual starvation, the income per capita here being only about Rs. 45/- on the conservative estimate (or about Rs. 110/- or so only on the most liberal estimate of the Simon Commission)* as against Rs. 1080, Rs 810, Rs. 750, Rs 570

*The Royal Commission (1927) appointed to consider the question of Indian Constitutional Reform

and Rs. 450 in the U S. A., Australia, Great Britain, Canada, France and Germany respectively The enormity of the situation becomes all the more glaring when it is known that this country is potentially as rich as the U S. A. It is not proposed to suggest that it is possible for any Government to prevent or make good the whole of this loss. But in a country where National Government exists he has the consolation that he has his own government to help him, a consolation which he lacks here. Agriculturists distress does also affect the position of industries in the country, in that the general purchasing power of the people is reduced as a consequence.

Maharashtra Chamber of Commerce, 1930, November 15

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Why India is Backward Industrially

'73 per cent people out of our total population of 350 millions depend upon agriculture and this is so in spite of the possibilities of vast industrial development. This development has not come so far, because of "free trade" policy followed by the Government for over 75 years, a policy positively unsuited to the industrial development and economic well being of the nation. As the late Justice M G Ranade observed, this was due to Government having regarded India as a plantation of England, growing raw produce to be shipped by British agents in British ships to be worked into fabrics by British skill and capital and to be re-exported to India by British merchants

to British firms here. This powerful and bitter indictment still stands true."

Maharashtra Chamber of Commerce 1933, August 21

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Export of Gold

"The callous indifference with which the people's gold reserve is allowed to be drained away in spite of the unanimous condemnation by the representatives of the Indian commercial community, is a vivid example of how the interests of a nation ruled by another are disregarded by the latter for its own advantage. That the exports of gold from India were required by Great Britain to give strength to the pound sterling does not now require to be proved. If still there is any doubt lingering in the minds of any of my countrymen, they have merely to look at the policy pursued by such mighty nations as the United Kingdom and the United States of America with their gold hoared in their vaults and then to compare the same with the opposite policy in this country adopted by the administrators belonging to one of these nations Whilst the United States of America with more than 7,000 million dollars worth of gold in her vaults think it wise to put an embargo on the export of gold, India's non-Indian Finance Minister characterises this distressing feature of gold exported from India as a "Pleasing Phenomenon" It is not difficult for us, to understand why this phenomenon of the export appeared pleasant to Sir George

Schuster* and his countrymen. It is, however, necessary to examine the ingenious argument used by the Finance Member in defence of his inaction. The Finance Minister puts forth a very amusing theory that the proceeds of gold realised by Indian sellers had been transferred to interest bearing investments. It seems that he has ignored the fundamental fact that the average Indian is not likely to bring into market his gold ornaments unless he is compelled by circumstances to meet daily wants. Thus, a portion of the sum realised by the sale of gold must have gone to the money lenders from the pockets of the agriculturists and small holders of gold articles, while the greater part of the remaining sum had to be exchanged for commodities. This process of forced sales of gold led to the increase of British imports in this country, which was wished for both by the Finance Member and the manufacturers in his country

Federation of Indian Chambers of Commerce and Industry, 1933

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The Mody Lees Pact†

However charitable a view one tries to take, one finds it difficult to agree with the Bombay Millowners. Taking the industry itself, Textile Industry in the whole of India, except in Bombay seems to have unanimously

* Finance Member Government of India

† The unofficial Trade Agreement of 1933 between India and Lancashire Millowners

condemned this agreement. What the Bombay Millowners expect to gain by antagonising the rest of the country, is difficult to comprehend. Why Bombay Millowners found it necessary to make friends with Lancashire at such an enormous cost involving the sacrifice of an important principle as regards the protection policy of the country cannot be explained. If the Bombay Millowners thought that the consumer was their enemy and that owing to their recent conduct, the growers of cotton have also become their enemy, and the Assembly being composed mostly of representatives of these two groups, was therefore not favourable to them and consequentially the Government of India would find it difficult to oppose all these groups, and that Bombay Millowners should therefore make friends with Lancashire who are their only supporters (?), they are sadly mistaken Really speaking their alleged enemies have been their friends though no consumer in any country can be expected to be a whole-hearted supporter of a protection-seeking industry and in the case of India, particularly when this industry has been in existence for more than 50 years and when mofussil industry has fared comparatively better than the Bombay industry. In spite of this, the country as a whole has supported the Bombay Mill industry in their cry for protection."

Maharashtra Chamber of Commerce, 1933, November 29

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Pursuing the Will-o-the Wisp

The present Finance Member is an avowed friend of the "*Laissez faire*" school of economists and the speech in the Legislative Assembly in which he tried to reply to the critics from the opposition seems to be certainly made in the full belief of the eternal validity of the principles of the school. He is anxious he says to do what he can to improve the general economic condition but he would like to see this done in innumerable small ways. He probably likes to go the traditional orthodox ways and he has no faith in the economic notions and ideas which seem to have obtained currency in most of the States of Europe and in America to-day I do not wish to pronounce an opinion either one way or the other on the question of eternal and universal validity or otherwise of the *laissez faire* or any other principles of economics. I am aware that a very lively and trenchant criticism of the entire doctrine of economic nationalism as also of all the modern panaceas or solvents has quite recently appeared from the pen of Mr L. M. Horobin M P under the title of "Pleasures of Planning" and its appearance by chance happens to almost synchronise in point of time with the speech of the Honourable the Finance Member

My quarrel is not with the different schools of economic thought and their principles. I speak as a practical businessman. Economics is not after all a perfect abstraction like mathematics. It has to deal with men and nations in this work a-day world and people can certainly

not long live on the hopes created by theories. Even if things may improve some distant day in future when all the States recognise that they must leave business and enterprise free, still in these days when all nations are busy trying to improve their own economic situation and self-sufficiency by such means as lie within their power, I am unable to understand why we alone should waste our time in trying to pursue the will-o-the-wisp of theories which are almost obsolete to-day! Even the Hon. the Finance Member's own country, Great Britain, the erstwhile traditional stronghold of economic liberalism for nearly a century was all of a sudden switched on to state support in order to solve the many post-war problems confronting her, despite the fact of her being in a very privileged position with a world-wide Empire containing self-governing dominions and India unlike many other States!"

Maharashtra Chamber of Commerce, 1935, May 8

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A Disheartening Picture

"Civilised governments all over the world interest themselves in increasing their production of agricultural commodities by promoting methods of improved cultivation. In this presidency, an attempt is being made under the auspices of this Chamber to increase the per acre sugar-cane yields and sugar recovery A Deccan Sugar-cane

Prize Scheme,* the first of its kind in India, has been initiated for this purpose whereby two prizes of Rs. 1,000 and Rs. 500/ have been offered to sugar-cane growers, the first one whose per acre yield of sugar cane is about 100 tons or thereabout and the second to one, whose sugar recovery per acre is found to be the highest amongst competitors for the prize. Everyone interested in the welfare of the country has appreciated this scheme, for, whereas the present average sugar cane yield is only about 30 tons per acre in the Deccan, methods of cultivation are being so improved under the stimulus of the prizes that when the results of the scheme are published after its completion an average recovery of about least 50-60 tons per acre will be feasible by resorting to the improved methods developed under the scheme. This represents the possibility of a 100 per cent increase in the wealth of the farmer growing sugar-cane. In such a project at least, one could not have expected Government hostility and yet the Government of Bombay have informed this Chamber that *no facilities regarding irrigation water will be given to the* sugar-cane growers competing for the prizes. The Government of Bombay are thus doubly guilty in this matter They themselves have done nothing so far of this kind and when a public body was doing it, they have without any reasonable cause expressed themselves as being against it The attitude of the authorities towards

*The competition organised by the Maharashtra Chamber of Commerce Bombay in [illegible] for Prize Plots with record yield of cane

this question, their attitude towards the question of the payment of drainage costs and their attitude towards the other needs and requirements of these factories' water rates, —all these indicate that the Government of Bombay treat the new sugar factories in the Deccan as if they are a nuisance; not only they are not encouraged; they are even discouraged."

Maharashtra Chamber of Commerce, 1935, May 8

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Government's Primitive Methods

"The sugar factories wanted to use canal water for industrial purposes. The Department of Irrigation agreed to supply it but prepared for the purpose, a draft agreement to be signed by the factories, which was so one-sided, arbitrary and unfair that a document excelling it in these respects will be indeed considered a precious rarity. It was but natural that the factories should protest against being required to sign such an agreement. They had already made certain representations in the matter. They were therefore given to understand that unless they agreed to the terms and conditions laid down by Government, their supply of water would be cut off. Thus the Government of Bombay resorted to the primitive method of settling differences and caused an amount of unnecessary bitterness amongst the factory owners. The threat to cut off water-supply was extremely ill-advised. The factories were getting water and they were paying for it: the

Government would have been in no way worse off without such a threat. But it seems that the Department concerned had taken a particular fancy for this primitive method. For, in another case, a factory was told that unless it communicated its consent to the conditions stipulated by Government for laying trolley and telephone lines, the permission granted it to lay the lines would be withdrawn. Here also, Government would not have been any the worse, whatever the result of the negotiations between the factory and Government for laying the lines, the threat to withdraw the permission was therefore unnecessary and annoying. In a third instance, the same method was again resorted to. Government threatened to curtail or cut off the existing supply of water to the factories unless they consented to sign certain agreements which committed the factories to unknown and unlimited liabilities. What is however clear from these facts is this: that the Government of Bombay do not wish to deal with the new sugar factories in a reasonable spirit. They seem to have faith in the efficacy of coercive measures. They know that the factories are at the mercy of Government as water supply from canals is everything to the factories. It is an irony that the situation should have been sought to be exploited by a Provincial Government of all agencies!"

Maharashtra Chamber of Commerce 1935 May 8

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A Jig with the Wallflower

"When the World Economic Conference (1933) failed, free nations began to chalk out policies and programmes more or less on lines of economic nationalism in order to rehabilitate their economic position as best as they could, the idea of International agreement and action even on fundamental issues being given up for the time being, although they continue to talk these platitudes. The result of this has no doubt been the diminution in the volume of inter-state trade and intense development of economic nationalism which clearly seems to be the sheet-anchor of Government policy in the leading countries of the world, which are free to do what they like One result of all this has been that depression has been arrested and some improvement has come about in those countries. Action both legislative and executive has been taken in the United States of America to bring about general recovery and raise the price level. Extensive expenditure on Public Works, restriction of production, Government guarantee for frozen credits of banks, all these have been tried with some success. All this is being done even at the cost of successive deficit budgets for the country

"In Italy and Germany similar attempts are being made to bring about a recovery and expansion of employment with comparative success The former country has been busy with this for over a decade and the latter only recently.

The point I want to make is that in these and other countries the State is active and moving. It is doing something to bring about better trade. My complaint is that our Government in this country have not done anything and the praise of "*Laissez Faire*" by the Honourable the Finance Member of Government of India is both out of place and out of time, to put it charitably and mildly"

Maharashtra Chamber of Commerce, 1935 November 15

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The Genesis of the Ottawa Trade Agreement

I should like to briefly refer here to the circumstances which led to the Ottawa Agreement* and to its results. United Kingdom export trade with India as well as with other parts of the world was steadily declining India used to have 62 per cent of her total imports from the United Kingdom in 1913-14, while in 1931 32 United Kingdom goods constituted only 35 1 per cent of our total imports. Her principal commodities, coal and iron, no longer occupy the position of vantage they once did. Her cotton textile industry also suffered due to its development elsewhere especially due to its great development in Japan, which although one of the Allied and Associated powers was not so actively engaged in the great war and had time to develop this and other industries. British statesmen naturally were anxious to improve the economic position

* The trade Agreement entered into at Ottawa in [illegible] between the United Kingdom and the Empire countries

of United Kingdom and recover the lost ground for her export trade as a leading industrial country of the world. After trying other devices and abandoning Gold Standard, the Import Duties Act was passed in 1932, subjecting all imports into United Kingdom, with certain exceptions, to a 10 per cent *ad valorem* duty, the measure further empowering Government to impose additional duties if need be. The countries in the Empire were exempted from this up to the 15th of November 1932, during which period they could, if they so elected enter into trade agreements with the United Kingdom. The Indian Delegation to Ottawa considered more what this country would lose in the absence of the agreement and not so much what it stood to gain."

Maharashtra Chamber of Commerce, 1936, February 26

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Has Ottawa Agreement benefited India?

"United Kingdom has considerably improved her export position with respect to India, but India has not improved her exports to United Kingdom to a similar extent, owing to the fact that British Dominions enjoy similar preferences and have obtained a better foot-hold in the United Kingdom market The value of preference for Indian exports in the Colonial markets is practically nil; the need of these markets, is for manufactured articles and India has little to offer them in the line. Ottawa has had another effect on India's export trade with non-empire

countries such as Germany, who had been good buyers of India's raw materials and had nothing but manufactured articles to sell to her. They find that their market in this country is restricted due to preference enjoyed by British manufacturers. They had naturally taken recourse to restrict their imports from this country and have entered into agreements with other countries and are buying their requirements of raw materials from those who agree to buy their manufactures. There is therefore a real danger that India may lose her good customers, if once these new channels of trade are developed.

Maharashtra Chamber of Commerce 1936, February 26

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Growing Unemployment in the Country

Although no statistics of unemployment are available in this country, even for the urban areas, where they can be collected without any great cost, all available evidence unmistakably points in the direction of wide-spread, and growing unemployment both in the urban as well as the rural areas. I ask in all solemnity whether Government who call themselves advanced and civilized unlike their despotic mediaeval prototypes, do not think that they have after all any duty towards their subjects and any obligations for their well being. To-day the problem is not of how to live well as an eminent author has observed but simply of how to live, with a large percentage of the people in this country. This is a

situation, which no wise Government alive to its sense of responsibility can or ought to contemplate with complacence, much less with undisturbed complacence. Even though Government budgets have been balanced, budgets of millions of families are unbalanced to-day !"

Maharashtra Chamber of Commerce, 1936, August 26

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Politics and Economics

"It is said that the opposition to the Bombay-Lancashire agreement is based on political and not economic grounds. After all the line of demarcation between economics and politics has always and everywhere been thin and generally obscure. This can be easily seen if we follow the story of peaceful European penetration the world over ! I may add, this has been particularly so in the period after the close of the great war of 1914-18. I wish to submit that the Mody-Lees Pact was more politics and less economics or business. The same way, we know, the Runciman-Mitra agreement, which widens the scope of Ottawa, is more politics and less business, as can be clearly seen from the 4th Article of it, according to which full opportunity has to be given to "any industry concerned in the United Kingdom to state its case and answer cases presented by other interested parties" when the question of the grant of substantial protection to an Indian industry is referred for inquiry to the Tariff Board ! The New Constitution which is soon to be inaugurated has this principle in it."

Maharashtra Chamber of Commerce, 1935, November 15

The Managing Agency System

Because it cannot be denied that the Managing Agency system has done yeomen service in the field of Indian Industrial development, some of the critics are saying that the system has outlived its utility To my mind the Managing Agency system, if it was ever so badly needed for the development of the industries it is to-day when the country, is on the threshold of industrial revival. The country is in need of industrialisation and that can be achieved only through Joint Stock enterprise and the only mechanism that can run the joint stock enterprise is the Managing Agency system. This system alone can give the stability, continuity and on many occasions the much needed financial help through credit, if not always in actual cash. It is attempted to be argued in this connection that some Public Utility Companies are being successfully run without Managing Directors. A little closer study of these in the past will clear the position and disprove this statement. The essential factor for running any concern must, to my mind, be some responsible businessman other than the ordinary paid servant. As it is admitted that as compared to private management state management is inefficient even in public utility and monopoly companies, it logically follows that a company managed by half a dozen directors coming from different directions cannot be as efficient as the one managed by an experienced businessman who has conceived the idea who has promoted the company and who is responsible for running the same the incentive to whom to do this being generally payment based

on results. I believe that requisite power is the secret of success, particularly in the running of business concerns. After selecting your Managing Agent or Managing Director, you have to trust him and the result will generally be a happy investment for the shareholder

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Foreigners Adopt It

" A further example of the suitability, necessity, and utility of this useful institution of Managing Agency to the country may be cited and it is this : that even the business firms from Great Britain who were not acquainted with this system in that country have, most of them, adopted this system here and some of these firms have 20 or 30 companies under their Managing Agency and one or two, even as many as 80 or 100, running all sorts of industries and dealing in all variety of business Most of them are financed by shareholders' capital but the credit of the Managing Agents, as also the continuity of management afforded under the system have been of great use and strength to the joint-stock companies under the Managing Agency."

Maharashtra Chamber of Commerce, 1936, May 20

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Communal Electorates

" . To my mind all the present confusion in this country is due to the introduction in this country of the

strange undemocratic principles of communal electorates and communal representation. Until we are able to give a go-bye to this principle, we shall come across such strange suggestions. In no country like the United States, France or Germany do we find a parallel to this communal representation. Even the Asiatic countries like Turkey, etc. which were till recently regarded as backward are going ahead forgetting all smaller differences. I am an optimist and I believe, as the people become more intelligent by experience, they will be able to discover for themselves which is the real coin and which spurious.

Maharashtra Chamber of Commerce 1928 November 9

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Foreigners can stay—but only as Equals

If foreign businessmen wish to remain here, and we do want to buy their goods when we require them, let them remain here as our equals. They will be able to enjoy full freedom under the laws of the country. We all can stay together peacefully and amicably and it will be to our mutual interest. Let them however know that the old days are gone for ever and that a new era has begun. If they have not yet understood this simple fact, as it appears from the Memorandum of the Associated Chamber of Commerce of India and Ceylon about reforms, then I shall only add that they are sadly mistaken in their reading of the situation. The administration of this country must be principally run in the interests of the people of this

country. We want the same freedom here as the Englishmen, Americans, French and Germans have in their own lands. All legitimate rights of foreigners will receive proper protection but the sooner they forget the special rights and privileges the better. Whatever their attitude be, they will have to bow down before time."

Maharashtra Chamber of Commerce, 1928, November 9

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This Dominion Status in Action!

"At the time of the debate over Mr. Fenner Brockway's motion in the British House of Commons in December last, it was said by the Secretary of State for India that the idea of exploitation of India in British Interests is gone and that India is coming into the possession at a growing rate of the attributes of Dominion Status. I should only add in this connection that in spite of this assurance of sincerity and good faith from high quarters our exploitation has not ceased and our burdens have actually increased during the last ten years since the inauguration of the Montague-Chelmsford Reforms, due, I should say, to this sort of Dominion Status in action! The country is feeling the pinch to an increasing extent."

Maharashtra Chamber of Commerce, 1930, February 8

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The Self-condemned Regime

"The sins of the present Government have been many and varied Education, public health and development of

agriculture, commerce and industry have not received the attention they deserve. The *laissez faire* policy followed by Government has ruined our industry, and the ever increasing civil and military burden is crushing the tax payer! To quote the present Premier* 9/10ths of the charge of the Army in India is an Imperial charge. To quote the same authority again the poverty of India is not an opinion but a fact. It need not be pointed out that as a consequence the vitality of the people is very low In the influenza epidemic of 1918 with about 1/5th of the world's population, India contributed half of the world's total death roll of 120 lacs! The charges brought against the present regime have not been refuted to this day The so-called reforms inaugurated some ten years back have proved very illusory and a costly affair There has been substantial increase in the cost of Central as well as the Provincial Governments and there has been no commensurate benefit to the people of the country Systematic exploitation of the country has not ceased, it has gone on unimpeded as before.

Maharashtra Chamber of Commerce 1930 May 7

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The Political Movement and its Effect

" Let us now see if the present political movement or the Congress propaganda since the time of Mahatma

*Mr Ramsay Macdonald, the Labourite Premier of Britain, 1929

Gandhi's *march in March last or for the matter of that ever since the Congress resolution in December 1929, has worsened, aggravated or accentuated the effects on the country of the economic depression caused by the world fall of commodity prices Let us take the two main agricultural commodities. Cotton, which was in January and February very low in parity with American prices has improved considerably in that respect. Secondly, the statistical position of Indian cotton at present is comparatively very good in spite of the frequent hartals and the alleged consequential disturbance to trade. We have sold so well, that stocks (about 450,000 bales) are probably the lowest ; old cotton is fetching now almost the same price as new cotton which ordinarily should be about 5 per cent higher. Take wheat. When Australia can dump her wheat in an Indian port at about Rs 3-14-0 per cwt. the parity of which in Layalpur market should be about Rs 1-13-0 per maund which is the present approximate price due to world depression and not due to Congress movement Let us now turn to some of our industries to see if the Congress work has affected them adversely Taking cotton textiles first, as compared to Lancashire cotton industry we are certainly doing better, some of our mofussil mills are working night shifts Considering our special circumstances we ought to, and we would like to do still better but for Government's present policy That, however, is another story But the fact remains that the Congress move-

*The Dandi March of 1930 for breaking Salt laws with which the Civil Disobedience Movement was inaugurated

ment has not made our textile condition worse than what the world depression could make it.

Maharashtra Chamber of Commerce, 1930, November 15

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Doubtful Value of Participation at Geneva Conferences

I confess myself to a sense of disappointment at the experience I have had at the International Labour Conference* Geneva, which I attended as the Employers Delegate from this country Let me be frank to admit that I am really doubtful if we should any longer usefully continue participating in these conferences from year to year If I may so express myself, I should consider that India s gains from her association with Geneva are negligible when we consider our annual contribution of £58 000 towards the League of Nations, the question of additional cost of sending the Delegations of Government, Employers and Workers to International Labour Conferences from year to year as also the cost of the Delegations to the League of Nations apart. The question needs very careful examination. India s representation either on the staff or the Governing Body of the League is negligible although she pays so much towards its cost. It further appears to me that there is a peculiarly European atmosphere about all the deliberations and discussions which take place

* Of 1932

either at the League or at the International Labour Conferences. Industrial European countries are anxious to see that other countries, particularly, the Asiatic ones which have so far provided good markets for their manufactures but which are now trying to develop their own Industries, do not benefit by escaping the burden of the social charges which the European industries have to bear. Because the purpose of this organisation as set by the Treaty of Peace was to secure common maximum standards of labour throughout *the world and so remove the unfair competition* which the advanced countries have to face in International trade competition as clearly put by the statement issued by the National Confederation of Industrial Employers of Great Britain The overseas countries being distant they often send incomplete Delegations Their voting strength being small in comparison with that of the European countries, they are not inoften compelled to accept burden based on European standards. The economic effects of this being far-reaching, it supplies the necessary atmosphere for suspicion and secret moves and counter-moves Indian employers cannot any longer allow themselves to be dragged on by the Geneva Organisation It is not to be understood from this that I am not in favour of further improvement of the condition of the workers in India Let us, by all means, introduce measures to ameliorate the condition of workers in all possible ways according to our requirements here and hence the generally recognised standards of worker's life must not be applied here in their entirety, without due regard to the

factors which differentiate the climatic and other conditions in this country from those obtaining in Europe.

Maharashtra Chamber of Commerce, 1931, August 15

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Ills of the Versailles Treaty

There are other causes in the world situation such as payment of War debts and payment of Reparations etc., which have taxed to the uttermost the finances of nations. These problems will have to be settled soon, if an era of peace is to be ushered in. The frequent re-adjustments that have been sought of the reparations clauses of the Versailles Treaty show, if anything this—that the clauses as originally framed were framed in anger and spite, that the Peace did not really establish peace, but it has provided a fruitful cause of bitterness and ill will all along

The fact cannot be ignored that to-day there are due to the birth of several new nations, several thousand additional miles of customs frontiers in the post war world, especially in Europe and in the near East than there were in the pre-war world and the various highly industrialised nations, as well as those that are trying to build up industries, are endeavouring to-day to extend their markets outside their own limits and to shut theirs to others by raising Tariff Walls. One does not know where exactly this will lead and whether it is possible to

arrive at an international understanding on the broader issues or the so-called fundamentals."

Maharashtra Chamber of Commerce, 1931, December 5

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Britain Must Account

"I understand that the report of the Indian Defence Expenditure Tribunal has been submitted to the Prime Minister. One of the issues dealt with by the Tribunal relates to India's claim to a contribution from the Imperial revenues towards military expenditure in India on the now admitted ground that the army in India is maintained to a certain extent for Imperial purposes Millions and millions of rupees were debited in the past to India's account towards such expenditure and India rightly claims substantial relief in this matter Another item which requires a very careful examination is the past obligations thrust on India by the British administrators of the country. I would particularly refer in this connection to the various wars waged by the British outside the limits of India and in which India had no real interest. Huge amounts were paid from the Indian treasury towards these wars, and if Britain wishes to be free from all charges of misappropriation and maladministration during her regime of trusteeship of this country, an honest and true account of all these expenses incurred on these wars waged for Imperial purposes must be

rendered to the newly installed Government of this country

Federation of Indian Chambers of Commerce and Industry, 1933

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In the Name of Liberty and Justice

As you all know the year 1932 opened with the incarceration of Gandhiji as a state prisoner, which was followed by a general policy of raids, arrests, and imprisonments. The inauguration of such a policy was bound to adversely affect the economic fabric of the country This is but in consonance with the well recognised law that the commerce and industry of a country are appreciably affected by the slightest tremor caused in the political strata. This is neither the time nor the place to chronicle the subsequent events in the political history of our country I might, however, quote the opinion of an impartial Englishman who was a member of the Indian situation on the spot and whose opinion will, I am confident, be considered fair and unprejudiced. That gentleman referring to one aspect of the policy of repression has said ,—

When I know that the Commissioner of Police in Bombay can send merchants to jail because of their refusal to trade with the other merchants, constitutes an offence and can release those whom we term as law breakers when he is informed that trading has started in a certain market—this is something new in law and commerce

"Whilst we in this country were realizing to our cost how by the promulgation of the Ordinances, the administration of Justice was made subservient to the exigencies of executive administration, on the other side of the world, Lord Reading tried to hold this state of rule by Ordinances, to the admiration of the "Civilised World" by asserting in a broadcast speech on India to the American public that, 'We have promised to insist on the maintenance of order in India, and we wish to make secure liberty and justice there, in accordance with the aims and ideals of English-speaking people, both American and British.'

"We have had sufficient experience of the ideals of liberty and justice for which the British nation stands in their administration of this country for over a 100 years, to know the meaning of these terms as applied to India."

Federation of Indian Chambers of Commerce and Industry, 1933

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Tall Claims of British Commerce and Industry

"I can only say that the entire system of British rule in this country is based on discrimination in favour of British businessmen. I shall leave all this aside and just examine a little the tall claims of British commerce and industry There are some industrialists in India who are not opposed to co-operation with these interests on terms of perfect equality but they must give up their airs of superiority If they have their interests in this country they will receive due protection by the law of the land, but when they demand the inclusion of certain provisions

in this constitutional Act, making it *ultra vires* of the Indian Legislatures to pass any measures even for the protection and advancement of Indian Industry and claim a right by virtue of which they may be able to take these matters to a special tribunal set up exclusively and at any cost, to deal with such matters if they feel aggrieved, I think it is something unreasonable and absurd that they are demanding In no self governing country or Dominion they have such a right. As if not satisfied with the creation of commercial electorates and reservation of powers under the name Special responsibilities of the Governors and Governor Generals, they want to see such a provision incorporated in the Statute of Constitution. I should only observe that by the exhibition of such an attitude, they are widening the gulf between this country and Britain They must realise that wherever the interests of this country demand, the legislatures of the nation must have full and unfettered power to pass the necessary legislation. It does not appear from the evidence of the Spokesman of British Commerce and Industry that they are prepared to concede the principle that this country has such a right and that what they are seeking is more of a sort of adjustment for some years. If that were so, it would have been an understandable position But their claim goes much further and what they demand is a kind of constitutional guarantee for all time to come. I shall only content myself by observing here that it is too tall a claim to be accepted by us.

Maharashtra Chamber of Commerce 1933, November 29

For By-Passing Indian Claims!

"Burma is to be separated from India. If a pledge was ever broken and the clearly expressed will of the nation ever flouted, it was here and over this question. The matter could well have been left to the Burmese people to settle but the powers that be were opposed to this and their will must be done! The powers that are to be granted to Burma after separation under its new constitution contain provisions which will work prejudicially so far as Indian interests are concerned and I must sound here a note of warning in this respect Side by side with the separation of Burma an agreement is to be made between India and Burma. The Indian commercial community would like to see that no such agreement is made unless it has an opportunity to express its views thereon and the Indian Legislature ratified it. The power that will be secured by the Government of Burma to impose restrictions, not only on the entry of Indian labour but on the entry of other classes of Indians as well, leaving the British people free to enter it at their will, has great implications which merit immediate attention While British capital and British personnel is free from such restrictions, Indian capital and Indian personnel only is penalised"

Maharashtra Chamber of Commerce, 1934, December 20

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Reciprocity . To Stiffle India's Progress!

"What little restricted freedom India enjoyed so far under the Fiscal Convention altogether disappears hence-

forth under the proposed arrangement and the Fiscal Convention is to be a myth of the past. It is no consolation to find that the J P C.* endorse the suggestion about the grant of subsidies and bounties of the External Capital Committee† to concerns fulfilling certain conditions It is well known that the Indian Commercial and public opinion has never found the conclusions of the External Capital Committee to be adequate or satisfactory either Although foreign capital may be necessary to bring about rapid industrial development of India the question of the conditions on which it should be admitted especially after India adopted a policy of discriminating protection does become a very important one. The recommendation of the J P C. in respect of Federal or Provincial Acts by which it may be proposed to give bounties in this behalf, places the non Indian Companies established in India prior to the passing of any Act authorising grant of a bounty or a subsidy on a footing of perfect equality with Indian concerns. The J P C. report thus definitely improves upon the position taken in the White Paper‡ or defined by the External Capital Committee to India s disadvantage as usual. It passes one s comprehension to see what necessity will be there for new non Indian companies to be formed when the old ones can well extend their activities to fresh fields

* The committee of the two Houses of Parliament appointed to consider the White Paper (March 1933) embodying the proposals of the British Government on the three Round Table Conferences held in London between 1930-1932

† Of 1925

‡ See infra

and escape all necessity of fulfilling the conditions of having Indian registration, Rupee capital and a proportion of Indian Directorate, etc. . . One finds the sacrifice of Indian interests writ large everywhere in the report.

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" . I am quite prepared to have restrictions put upon Indian trade, commerce and industry including Shipping and other Commercial services as Banking, Insurance, etc. in the U. K if India puts similar restrictions upon British business and enterprise here, herself taking the initiative in the matter. If reciprocity is accepted in this way, I have no objection. Reciprocity between two fairly equally industrially and economically developed countries is an understandable proposition but not the one proposed in the J P.C.'s Report which seems to be reciprocal arrangement between a lion and a lamb"

Maharashtra Chamber of Commerce, 1934, December 20

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Shipbuilding in the Past How Ruined

" From earliest times, India has been justly famous for her great shipbuilding industry. Centuries before the British began to shake India as their pagoda tree and exploit her as their milch cow, India used to carry India's rich products to far and distant seas in ships built in India —ships which had become famous for their elegance, workmanship and utility. Even England had to recognise the greatness and superiority of the Indian Shipbuilding

industry in that period so much so that she built several ships required for the British Navy and the British trade in Indian Yards. With the consolidation, however, of the British power in India the competitive strength and the economic efficiency of Indian built ships aroused the jealousy of the British Shipbuilders and the British people and the presence of Indian ships laden with Indian produce arriving in the Port of London steeled their determination to take all possible steps to ruin this old and famous industry of this ancient land. Dr Taylor, the well known historian of the 19th century observes in a famous passage in his book Ancient and Modern India that—

> the arrival in the port of London of Indian Produce in Indian-built ships created a sensation among the monopolists which could not be exceeded if a hostile fleet had appeared in the Thames. Shipbuilders of the Port of London took the lead in raising the cry of alarm. They declared that their business was in danger and that the families of all the shipwrights in England were certain to be *reduced to starvation*."

Their cry did not go in vain Indian built ships were not accepted on the British Register and the carriage of cargo in Indian built ships between India and England was discouraged in every conceivable way After stating reasons against shipbuilding and ship-manning in India and after damning Indian sailors as physically unfit to stand the perils of the sea and the strain of the long voyages between England and India,—sailors whose seamanship, power of endurance and spirit of enterprise, in braving

the perils of the sea along with their British comrades, in England's hour of crisis had received the highest praises during the last war and are drawing forth again the great admiration of all during the present war also—the Court of Directors of the East India Company remark in their letter to the House of Lords dated the 27th January 1801, that—

> "No British heart would wish that any of the brave men who have merited so much of their country should be without bread, whilst natives of the East brought the ships belonging to our own subjects into our own ports. Considered, therefore, in a physical, moral, commercial, and political view, the apparent consequences of admitting these Indian sailors largely into our navigation, form a strong additional objection to the concessions of the proposed privilege to any ships manned by them"

"Once again history repeated itself. Indian shipbuilding industry had to perish so that the British shipbuilders could live and flourish. The East India Company could not use Indian-built ships and thus began under India's political subjection to Britain, the decline and fall of a great industry of India."

Speech requesting Shri Babu Rajendra Prasad to lay the Foundation of the Shipbuilding Yard, Vizagapatam, 1941, June 21

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Political Subjection by Industrial Destruction

The year 1858 may be said to signalise the landmark between the Governance of India by the East India Company in the interests of its stockholders and the administration of India by the British Crown apparently at least in the interests of the people of India. It is, therefore, proper to examine what steps, if any, were taken, as in other countries, during the latter period to enable the Indian shipping industry to get over the difficulties of the transition stage resulting from the substitution of sail by steam and motor, and of wood by iron and steel A survey of historical records shows that not only was nothing constructive done by Government during the period under investigation but that active steps were taken in different maritime presidencies gradually to remove from India all traces of its past shipping history Not only did the commercial shipbuilding yards disappear one by one but active steps were taken by Government to do all it could to prevent the building of ships in India even for its own requirements and as a result the Bombay Dock yard was in a few years closed down after rendering immense service both to England and India during the many years that it lasted With its dismantling was completed the process of devitalising the shipping industries of India, undertaken ever since the appearance in London of Indian built vessels which evoked the jealousy of the shipbuilders of England Thus in the course of less than fifty years, the national tradition of Indian shipbuilding and maritime activity extending over thousands of years,

was blotted out so that hardly anything now remains to show the immense sway which at one time the Indian shipping industries exercised over the commercial ocean routes of the world."

Chairman's speech at the annual meeting of the Scindia S. N. Co. Ltd., 1929, Nov. 25

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The Policy Had Its Constructive Side Too!

"But it is not enough to say that the policy was destructive only. It was doubtless destructive so far as Indian interests were concerned but it had a constructive side as well, in so far as steps were taken to provide for the replacement of the Indian by the British Agency in matters of shipping. While nothing was done to encourage Indian shipping enterprise, nothing was left undone to help the establishment in Indian waters of English shipping companies particularly in the coasting trade of India. The early history of the British India and Asiatic Steam Navigation Companies bears out the above mentioned remarks, the full force of which will be brought home when it is stated that the English shipping companies were definitely excluded from the operations of the income-tax and this most profitable immunity was enjoyed by them until an Indian member of the new Legislative Assembly in 1922 drew attention to the iniquity of exempting the British Companies from the payment of the income-tax even though they were thriving in the Indian trade.

Not only was direct help given to British shipping interests at the cost of the Indian treasury but the Government of India were even prepared to enact legislative measures to prevent any outside competition working against British companies entrenched in Indian waters."

Chairman's speech at the annual meeting of the Scindia S N Co Ltd., 1929, Nov 25

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British Insistence on India's Economic Ruin

Throughout the awful pages of Indian economic history of the last seventy years, there is hardly a more typical example of the British insistence upon India's economic ruin to benefit British interests than their systematic destruction of Indian shipping enterprise and their helpful support to the consolidation of British influence in the coastal waters of India. The exclusion of British shipping companies from the income tax and consideration of measures to enable them to monopolise in the coasting trade of India coupled with their hostility to Indian shipping in general, are enough to stamp the British economic policy with an open desire to harm Indian interests and to pursue definite policy of strengthening British interests.

Chairman's speech at the annual meeting of the Scindia S N Co Ltd 1929 Nov 25

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National Shipping—India's Need

"Whether you consider the question from the view-point of national economic interests or whether you look at the question from the development of Indian industries, whether you want to meet the colossal home charges or other international obligations or whether you want to lay out an efficient and practical policy of defence for India, the conclusion is irresistible that India needs a powerful national shipping owned, controlled and managed, and may I also add, manned by Indians themselves."

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"National Economic life of India in every direction will be enriched if India has a full grown and efficient National merchant navy. The goal for a free India will, however, never be attained unless it has a powerful "navy of supply" which with the real navy of defence will make it possible for India to preserve and maintain its independence. Let me, therefore, appeal in all earnestness to every patriotic Indian to strive for the building up of a national merchant marine owned, controlled and managed by Indians themselves."

Chairman's speech at the annual meeting of
the Scindia S. N. Co. Ltd., 1938, Nov. 8

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Coastal Trade of India—Plea for Reservation

"It is not necessary for me to add that we want the Coastal Trade to be reserved for National Shipping, not in the interests of one particular company as has been

alleged, and not merely in the interests of Indian shipping engaged in the coastal trade, but in the larger economic and industrial interests of India as a whole. I want to raise a note of warning against the seemingly innocent but really mischievous move on the part of the British interests to convince the unwary public, as they attempted to do during the recent debate in the Legislative Assembly, that everything went all right and would remain so as long as the coasting trade of India would continue to be a practical monopoly of foreign shipping, but that everything would go wrong and that India's economic interests would suffer immensely if the coasting trade became the free field for healthy competition between the ships owned and managed by Indians themselves. I also want you, gentlemen, to appraise at its true value the contention of these vested interests expressed by their representatives during the recent debate in the Legislative Assembly that British Shipping toiled in India far away from its home, not to drain away the wealth of this country to foreign lands, but merely for the purpose of increasing India's national wealth and thus promoting India's real prosperity What altruistic motives inspire these foreign interests to take to such philanthropic activities !

Chairman's speech at the annual meeting of the Scindia S N Co Ltd., 1928, October 29

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Reservation—Would Stop Colossal Drain of Indian Money

The annual freight bill on the coast comes to about 10 to 12 crores of rupees. At present a very large proportion of this money is drained out of India. Sir James Simpson,* however, wants us to believe that there is no such drain and that it will not make any difference to India's economic interest whether the Coastal trade continues to be practically the monopoly of British Shipping interests as at present or is reserved to the ships of the Indian Mercantile Marine. After an elaborate, but futile argument, Sir James Simpson comes to the conclusion, " Sir, there is no drain." Is not Sir James Simpson aware, may I ask, in all humility, that according to the Board of Trade, British shipping adds nearly 200 millions of pounds every year to the National wealth of England ? If it is so, he will easily realise that if the coasting trade of India is reserved to Indian vessels, it would save a very large proportion of the annual freight bill going out of the country and would thus add to the national wealth of India "

Chairman's speech at the annual meeting of the Scindia S. N. Co. Ltd., 1928, October 29

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Indian Support—British Opposition

Let me now put on record our sense of deep gratefulness to the Indian Members of the Legislative Assembly

* Member, Legislative Assembly

for according their magnificent support to the motion to refer the Bill for the Reservation of the Coastal Traffic of India to Indian vessels to a Select Committee in spite of the pretence of the European group and the Government of India that it was in the supreme interests of this country that they were opposed to the measure. It is futile to argue with those who never fail to discover signs of India's economic prosperity in the continuous process of India's economic exploitation by foreigners in league with an alien bureaucracy Such a splendid majority of 25 votes is, however, a complete triumph of public opinion and augurs well for breaking the shackles of India's economic bondage."

Chairman's speech at the annual meeting of the Scindia S N Co Ltd, 1928, October 29